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THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

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The Nation's Business

Finance Minister Claims Too Much

In announcing his revised regulations regarding the tax position of donations to charities, Finance Minister Ilsley took the position that all the income of a company belongs to the Dominion treasury and that, thanks only to Mr. Ilsley, some it may be retained and spent as the possessor sees fit.

The new regulation is that companies in the EPT category will be allowed to donate, before taxes, an amount equal to the average of such donations in their last two fiscal years ending before July 1, 1942, the date when EPT came into effect.

Mr. Ilsley has backed down a little from his Jan. 31 announcement, but he would be much wiser and would serve Canada better if he would back down all the way and return this situation to its previous status, wherein the government revenues were adequately protected by the provision that not more than 5% income could be given in donations, without being taxable.

Mr. Ilsley justifies his activities in this field in this manner: He pointed out to the Commons that firms are permitted to deduct, for income tax purposes, charitable donations up to the 5% referred to. Then said Mr. Ilsley:

> "As a result of allowing this deduction in computing profits for tax purposes, the government foregoes collecting tax which would otherwise be due. In effect, then, the government can be said to be subsidizing charitable activities."

This is preposterous. The government has no money but that which the Canadian people give or lend it. Mr. Ilsley might just as well say that the government is subsidizing employment by permitting firms to deduct for income tax purposes the amount they have paid out in wages and salaries to employees.

Further, Mr. Ilsley says that the firm in the 100% EPT bracket makes its charitable donations "entirely at the expense of the Treasury," hence that business concerns "are being solicited on a wholesale scale to make unusually large contributions to various non-profit organizations."

The use of the phrases "wholesale scale" and "unusually large" is unfair in view of the 5% limitation.

Mr. Ilsley talks as though all the money in the country is the government's; that only by the government's gracious permission is the individual or a company permitted to retain anything.

This talk sounds very much as if this earnest Minister has lost touch with the Canadian people, does not know what the payment of taxes feels like, forgets the self-sacrifice involved, forgets that in his spending and in his law-making, he is spending the money of individual Canadians, not the government's.

These anxious restrictions on such donations are extremely shortsighted because the dollars voluntarily spent by individuals and firms to assist charities, cultural institutions, etc. are dollars which, otherwise, the federal or other government treasury would have to collect and spend—in many cases much less efficiently—for the same purpose.

For instance, every dollar raised for the Red Cross produces at least three dollars of value because of the voluntary work of patriotic men and women.

Or, these donated dollars are dollars which the treasury will not later be called upon to spend on necessary projects and in employment-creating works. In this group are endowment and new building funds of universities. In fact, at the same time that Mr. Ilsley is clamping down on the contributions of business firms to our universities, another Ottawa bureau is surveying the postwar building needs of these same institutions, presumably to determine how much cash the government may have to put up to assist these building programs.

Admittedly, it is difficult for a man in Mr. Ilsley's thankless position to keep proper perspective on taxation; to continue to regard himself simply as the trustee and agent of the will of the Canadian people.

Mr. Ilsley should examine his approach to this subject of taxation. The attitude of mind revealed in his "explanation" of his new ruling is even more disturbing than the ruling itself. And it is disappointing to that great host of businessmen and citizens who have so long admired the stubborn honesty of Mr. Ilsley's liberalism.

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OCCASION FOR HOUSECLEANING

Under the Ontario Securities Act, registration of every broker and stock selling organization lapses March 31. By March 21 of each year, every broker and salesman is required to apply for renewal of his license.

Here is an occasion for an annual detailed review of all operators in the security business and a housecleaning of the business where necessary.

Of course, the Ontario Securities Commissioner is abundantly equipped with powers to keep a constant supervision over the activities of stock operators and to cancel or suspend their licenses any hour of the day.

But in view of the serious situation now prevailing, as articles in The Financial Post have revealed, the public will expect that the March 31 renewal will be used by the Ontario Securities Commission for a thorough and complete screening of the men who want the privilege of selling securities to the public.

There are many things that a Securities Commission ardently devoted to doing an efficient job can do to improve its regular supervision and to prevent breakdown of effective administration. Present legislation may not be perfect, but effectively used and constantly imposed, it would be entirely adequate to clean up the whole situation with which Canada is now cursed.

Complete, careful, informed and regular review of all sales literature produced by security sales organizations would be entirely practicable and would be a very effective means of keeping watch. For the highbinder depends to a large extent on flamboyant mailing pieces. The Financial Post has many examples in which there is clear misstatement of fact. Most other examples of material from this kind of operator show a clever mixture of fact and fancy, in which the authors skate just along the margin between truth and falsehood, the whole effect of the production being to distort and misguide the reader as to the real character of the proposition offered.

Careful and constant checking of all such material would immediately show the Commission where firms were going beyond the spirit and letter of the truthful advertising requirement in the Ontario Securities Act.

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SIGNIFICANT HINT OF WHAT MAY BE AHEAD

Graham F. Towers, governor, the Bank of Canada, stated the belief, in his annual report, that the specialized nature of Canada's resources and the smallness of our domestic market make a large measure of international trade essential to the maintenance of a reasonable standard of living in this country. We cannot adopt a free trade policy in a world of intense economic nationalism, but self-sufficiency could only be achieved by much more painful adjustments than would occur under freer trade. Consequently, our national self-interest lies in the direction of lower tariffs, a workable international currency and credit system.

The "freer trade" talks reported by The Financial Post as having taken place between Canadian and American officials indicate that Mr. Towers is not the only Ottawa official who subscribes to this philosophy. With all the major political parties giving support to freer trade, Mr. Towers' views on the subject can be taken as a significant indication of what may lie ahead.

War Labor Code Seen Good Start

Spotlight Moves to Provincial Measures For All-industry Deal

Copies of the new national labor code are beginning to circulate in industry and opinion on the measure is crystallizing. What emerges so far is an apparent absence of serious objection on any important count.

Much interest attaches to the selection of personnel for the proposed national labor relations board which will arbitrate disputes in "war-essential" industry across Canada, and to whatever regional enactments and organization the provinces are considering for application of the code's principles to other industry.

Quebec Question Mark

The code has signal virtues and some weaknesses, the works manager of one of Canada's large war and peace establishments told The Post.

"An obvious fault is that it will apply only to 'war-essential' industry and for the duration," he said, but he observed that Ontario and several other provinces had indicated readiness to provide for the code's expansion to other industries by means of provincial legislation.

"It looks very much as if Quebec will be an absentee and this, in my opinion, will be unfavorably received in labor circles.

He said he hadn't been able to find anything in the code to which industry might object. Labor organ-

(Continued on page 3)

Labor Code Almost Ready

Effective in Two Weeks, Ottawa Hope — Chairman Chosen?

From Our Own Correspondent

OTTAWA.—Selection of personnel for the new National Labor Relations Board is the only thing holding up proclamation of the Labor Code tabled in Parliament last week, it is learned here. Hopes are high in official quarters that the selection may be completed within the next two weeks.

Choice of a chairman has already been made at least tentatively by the Government, but the representatives of labor and of management have not yet been chosen. Procedure in the case of labor was simple — one nomination each has been requested from the Canadian Congress of Labor, Trades and Labor Congress, railway brotherhoods and the National Catholic Syndicates. Method of selecting employer representatives was more difficult. It has been suggested that the Canadian Manufacturers' Association and the Canadian Chamber of Commerce should each name two.

This week, a letter went out to both organizations from Labor Minister Mitchell, asking their own suggestions as to method of choice. The Government retains, of course, the right to accept or reject any nomination, but it is expected the wishes of labor and of industry will be followed in so far as possible.

Consultation has, in fact, been the keynote of the year-long business of preparing the Labor Code.

To Curb Racket In Gas Coupons

From Our Own Correspondent

OTTAWA.—Further steps to stop racketeering in gasoline ration coupons are under study here, to go into effect in the coming season.

Officials are guarded in their forecasts of how it will be done. It is understood, however, that in future the retailer will not be allowed to accumulate or retain large stocks of coupons. In the past these have often been stolen, with or without connivance of the dealer, and re-used for purchase from complacent dealers willing to accept detached coupons.

Gasoline rationing for the coming season, Mr. Howe told the House, will be the same in amount, categories and procedure as last year. Supplies of gasoline, said Mr. Howe, are under 50% of normal but more fuel oil is available.

Post Survey of Oils Now Off the Press

The 1944 edition of The Financial Post Survey of Oils is now off the press. But so heavy was pre-publication demand for this volume that the entire edition has been sold out and no further orders can be filled.

The book comprises 180 pages dealing with all active oil companies and several hundred others in the dead and inactive categories. Details on oil royalties, oil production, crude price, etc., are also provided.

Complete maps are included of the Turner, Taber and Vermilion fields with a general map showing locations of other structures.

Aluminum Flare-up Hints Vote

Acrimonious Debate Marks Row Over Tabling of Evidence

From Our Own Correspondent

OTTAWA.—Historians interested in (A) Democracy at Work or (B) the Origins of the 1944 General Election would do well to study Hansard for Monday and Tuesday of this week.

Nothing concrete was accomplished by the debate. It involved an amendment to a motion which, had it carried, would have presented the Government with an interesting dilemma, for it ordered the publication of evidence obtained from the British and Australian Governments on a pledge of secrecy.

How it Happened

On Monday, Hughes Cleaver introduced a motion for concurrence with the report of his War Expenditures Committee, highlighting the Canadian aluminum industry.

Monday evening M. J. Coldwell, CCF leader, arraigned the committee's report on aluminum as a whitewash and flatly contradicting the report's statement that none of Mr. Coldwell's charges against the Aluminum Company of Canada had been substantiated.

Asks Evidence Tabled

Joseph Harris, Progressive-Conservative, moved an amendment to the Cleaver motion, that concurrence be withheld, but that the evidence taken before the committee, which sat in camera, should be tabled in the House. Tuesday evening, after about six hours of acrimonious discussion, the Harris amendment was defeated 50-118.

Object to Secrecy

After the Cleaver motion had been withdrawn, the Prime Minister introduced his motion to set up the War Expenditures Committee for this session, a motion on which it had been agreed no debate should take place. Opposition Leader Gordon Graydon said that his party would vote against this motion, in protest against the committee's sitting in camera. Mr. Coldwell said

(Continued on page 2, col. 3)

Ontario Plans For Postwar

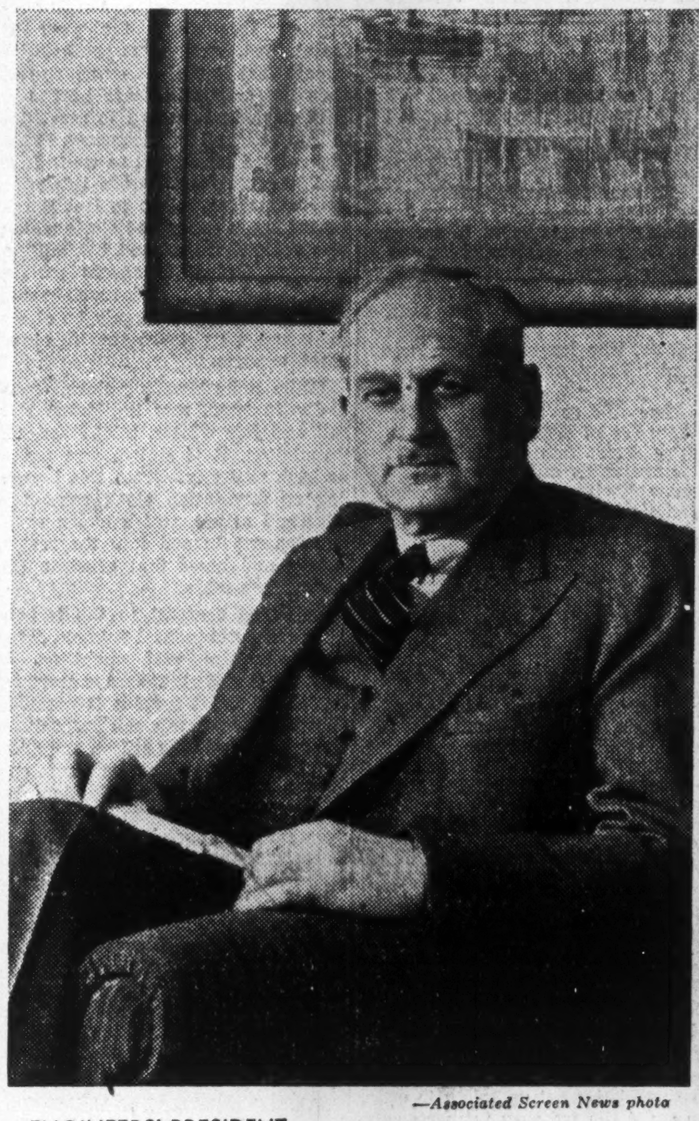
Full Employment Aim of Measures Revealed in Throne Speech

Looking to the postwar period, the Ontario Government will establish a new provincial department of planning and development, it was revealed in the throne speech in the legislature Tuesday. Full development of provincial natural resources, with a view to providing employment, will be one of the matters intensively studied by this new branch of government.

Also designed to solve postwar problems is a four-year highway building program, to provide 27,840,000 man days of employment, and measures aimed to encourage the mining development. Provision of adequate employment is the objective in all these proposals.

It is the intention to develop fish and game resources, while proper supervision of the provincial forests

(Continued on page 2, col. 2)



—Associated Screen News photo

ENGINEERS' PRESIDENT

deGaspe Beaubien, C.B.E., Montreal, new president of the Engineering Institute of Canada, is a leading engineering consultant and authority on hydro-electric power, municipal utilities and public service rates. At the moment advising Quebec's provincial Public Service Board on rates for public electric service, the EIC president has served many Quebec cities and commercial concerns in 36 years of private practice. Mr. Beaubien's ancestors came from France nearly 300 years ago. A son of Hon. Louis Beaubien, he was born in 1881 in suburban Outremont, graduated from McGill University in 1906.

See Much Improvement In General Food Picture

Meat Production Assured at High Level — Farm Labor Outlook Improved — Serious Summer Drought About Only Main Fear

By GORDON L. SMITH

OTTAWA. — The only thing that might seriously interfere with Canadians continuing to eat well this year would be a prolonged summer drought. Otherwise officials directing Canada's wartime food production expect no disturbing shortages. The general picture is described as improved from a year ago, when meat and some other major food lines were short.

The labor situation is certainly no worse than a year ago and may improve considerably before summer. Farm machinery, while still short, will be perhaps slightly more plentiful for seeding and harvesting.

Meat production is running at peak levels and it is expected that something close to this unusual rate can be maintained throughout the year, because output is safeguarded by heavy grain carry-overs. Dairy production is also high, for this season of the year, and if hay and pasture conditions prove favorable, it should continue so.

In contrast to a year ago, so far there has been little winter damage to fruit buds so that big crops of peaches, plums, cherries, apples, etc., are possible and even probable, while the law of averages favors a good yield for the canning crops.

Raw Material

While all grain crops in Central Canada were exceptionally poor last summer and the western wheat crop only about half the record of 1942, feed grains in the prairie provinces turned out well. As a result there is still a most substantial grain carry-over in Canada today, big enough, it is felt, to finish all commercial growing livestock as well as take care of any U. S. export the railways can handle.

One trouble, of course, is that this grain and the livestock that could use it are not always on the same farm or even in the same area. The surplus grain is mostly in storage west of the lakes while a good deal

(Continued on page 2, col. 4)

See New Treaty Aid To Honest Business

Modification of Extradition Treaty With U. S. Aims at Catching White Collar Crooks Without Penalizing Innocent — Limit SEC Authority?

From Our Own Correspondent

OTTAWA.—Modifications of the new extradition treaty with the United States, which have been under discussion and negotiation for 18 months, are nearly ready for presentation to Parliament. Indications here are that the modifications will not take the form of amendment to the treaty itself, which was signed in 1942. Instead, they will probably consist either of reservations and provisos in the statutes which implement the treaty, or else of an exchange of notes between Ottawa and Washington declaring certain agreed stipulations and interpretations of the treaty's terms. In either case, however, the modifications will require Parliament's approval.

Principal object of the new treaty was to prevent dealers in stocks and securities from evading American security laws by operating from Canada. As originally drafted, the treaty left open the possibility that bona fide Canadian businessmen with clients in the United States might be subject to extradition, trial and even imprisonment there for innocent violations of American laws: Some business practices are legal and accepted in this country but do not conform to laws of the American republic or of certain states thereof.

Innocent and Guilty

In attempting to dissipate this danger, officials have had the problem of drafting a measure which will at once leave no loophole for the "white collar crook" who uses the international border as a screen for fraudulent practices, and yet create no danger for the honest dealer who happens to have an international clientele.

So far as can be learned, the essential criterion of a dealer's responsibility will be the locale of the transaction. That is to say, a Toronto broker who happens to sell a stock or a bond to a client living in Buffalo will not be under the obligation of making certain that he has conformed to all the technicalities of New York State security legislation.

But a Canadian brokerage firm which opens a New York or Chicago or San Francisco office, and which operates in the security markets of those cities and generally conducts an American business, will have to accept the responsibility of conforming to American law. Violations of the law in such cases would, presumably, be extraditable.

Honest Broker Needn't Worry

In all cases, however, the question of intent will have great weight. No legitimate Canadian broker need have any worry, officials say, about occasional or incidental American business — only wilful and fraudulent evasions of American laws are the object of the pending legislation. If, on the other hand, it can be shown that a broker knew his methods were contrary to American law—if, for example, he attempts to sell to Americans from Canada a security which he has tried and failed to register in Washington — then he must bear his responsibility in this as in any other violation of law.

In the final analysis the matter of good faith is one for judgment of the Extradition Court, a Canadian tribunal.

Advertising

Even more dependent on the court's judgment, because even more difficult to define in a statute, is a genuinely Canadian newspaper which shall not be obliged to conform with American advertising regulations.

The new statute will contain explicit protection, for bona fide Canadian publications, against prosecution for unwitting violation of American law in advertising securities. On the other hand, the road will be left open to indictment and extradition of publishers who establish themselves in Canada for the purpose of printing, and circulating in the United States, advertisements and publicity which it would be illegal to print within that country.

Another difficult case to define in law, though not to classify in practice, is that of long distance telephone sales. No protection is likely to be offered the security dealer who organizes a setup using telephones in order to carry on from behind the Canadian border a business in the United States which violates that country's laws. Protection may, however, be expected for the legitimate Canadian dealer who, in long-distance transactions, becomes unintentionally guilty of technical violations. It will be largely for the Extradition Court judge to determine which is which.

At the present time some Canadian citizens are actually under indictment for certain operations in the United States which are legal here, illegal there. Officials here would venture no opinion on how the prospective legislation might affect individual cases.

They did point out that the extradition treaty itself, as drafted, makes no provision for retroactive effect. On the other hand, the Canadian extradition law (not the treaty) has a retroactive clause. Whether or not the new statute, which implements the 1942 treaty, will contain a retroactive clause is a matter for Parliament to decide. The treaty does not require it.

Record Damages Won In Car Suit

With the reduction by the Ontario High Court of the automobile accident damages awarded John A. Martin, toolmaker and engineer, from $165,000 to $115,091.29, the award is believed still a record in Canada.

Mr. Martin was injured in 1939, claimed loss of business profits, which netted over $18,000 in 1938.

The jury's award was contested unsuccessfully in the Ontario Appeal Court and then taken to the Supreme Court of Canada which ordered a new trial to reassess the damages. It is believed the defendent in the case is partially protected by a public liability insurance policy with the Travelers Insurance Co. The award is not subject to income tax.

Woolton Favors Expansionist Policy

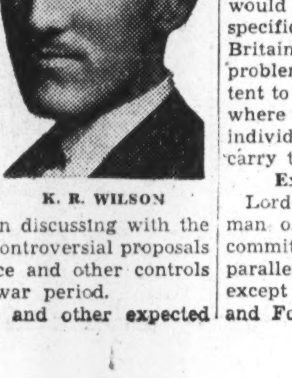
British Reconstruction Chief Urges Multilateral Trade

Kenneth R. Wilson, Ottawa, correspondent of The Financial Post, is now in Britain with a group of Canadian editors at the invitation of the British Ministry of Information.

In the accompanying cable he discusses Britain's postwar program for reconstruction of industry.

By KENNETH R. WILSON

MANCHESTER.—The spotlight in recent days has been focused on Britain's postwar plans. Lord Woolton, minister of reconstruction, has given parliament his views on the three-stage road to normalcy. The minister of health has filled in the Beveridge social security proposals with a blueprint in regard to health insurance. Lancashire cotton men have been discussing with the cabinet their controversial proposals to extend price and other controls into the postwar period.



K. R. WILSON

Behind this and other expected proposals is the desire to head off growing public impatience at earlier indefiniteness of Government policy.

Canada is Interested

Lord Woolton's postwar views are especially interesting to Canada. He is a self-made merchant prince who captured British imagination and approval by his brilliant incumbency of the food ministry. His present job is much more difficult, contentious and extensive, namely, to co-ordinate the work and planning of a dozen different, separate and overlapping ministries, each responsible for some part of the postwar pie.

Recently I asked Lord Woolton how he thought a single ministry, lacking dictatorial powers, would achieve success in such a difficult task. He explained that his ministry would not itself initiate or execute specific undertakings such as Britain's No. 1 postwar housing problem, but that he would be content to co-ordinate and initiate ideas where necessary and depend on the individual departments to plan and carry these out.

Expansionist Policy Right

Lord Woolton himself is chairman of the cabinet reconstruction committee, whose membership parallels the present war cabinet, except for Prime Minister Churchill and Foreign Secretary Eden. This is not unlike the proposal, discussed earlier at Ottawa, to reconstitute the Canadian war cabinet as a reconstruction committee. Thus the British machinery now provides a reconstruction minister without a ministry.

It depends for its success more on the personality and prestige of Lord Woolton than the creation of a separate government department.

Lord Woolton outlined to the House of Lords last week his views on the chronology and general pattern of postwar trends and solutions. He emphasized his belief that contrary to the experiences of the last war, "an expansionist policy is the right and proper policy for this country to pursue."

10 Million Job Turnover

The problem during the first short transition period would be to move initially 5 million and eventually 10 million persons from war to peace jobs. Lord Woolton anticipates a great shortage in raw materials, especially timber, and continuance of controls over materials in short supply, also "some stipulations ensuring the export of goods at least to those countries from which we shall require food supplies."

This is in line with the view expressed in my last dispatch, but Lord Woolton qualified his statement by warning against any misunderstanding regarding the position of bilateral trade.

Multilateral Trade

"Do not misunderstand me," he said, "and think I advise a policy of economic bilateralism by suggesting that we export to countries from which we buy. I believe it will be on a multilateral policy we shall probably restore our commercial and economic position overseas."

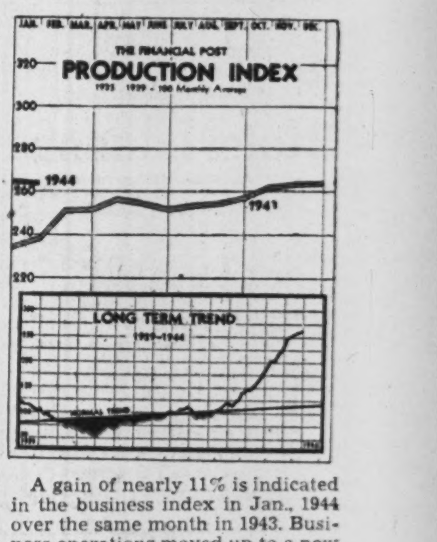
Lord Woolton also envisages government or disciplinary control over consumption during the postwar transitional period. The second phase he describes as the time during which Britain will meet the demands of a very big home market.

The problem here will be avoidance of a trade boom. Said Lord Woolton: "We shall aim not at getting a boom, but at getting regularity and avoiding a pentup demand producing a rapid rise in prices, which would absorb war savings." Lord Woolton believes that this time there is available the necessary statistical economic information and advice to avoid past errors, assuming the Government is willing to make use of these new weapons.

The third period, when "all this willing spending is over," will be the most dangerous. That will be the time, he says, "for local authori-

(Continued on page 2, col. 3)

Pace of Business



A gain of nearly 11% is indicated in the business index in Jan., 1944 over the same month in 1943. Business operations moved up to a new high of 264.2%, recording a slight increase over December, according to The Financial Post Index. Gold receipts at the Mint sagged in January while mining activity advanced.

Flour milling statistics reveal the index of the industry was up, but livestock slaughterings receded from the December high. Hog slaughterings were exceptionally high for the month, while the dairy industry index moved down for the first month of 1944. Newsprint output receded, but it is regarded as of minor character. Other indicators of the forestry industry reached a lower position. New construction business in January was at a lower level than during the previous month.

THE "PREMIER"

A Credit to the name of Stetson!

Not just another hat but a masterly fashioned fur felt of select quality styled by Stetson. Becoming snap brim models with bound or raw edges that may be worn up or down effectively. Choice of rich grey, blue or brown tones . . . sizes 6¾ to 7⅞ in the range. Each 8.50

MAIN STORE — MAIN FLOOR

THE T. EATON CO LIMITED

Keeping Posted

That story on page 13 of this issue about the scores of medium and little industries which together comprise the giant Canadian automotive parts business is the result of much long hard work. It is a story which has never before been brought together, so far as we can find out, and it is an extremely important one.

Here was a highly developed industry, well diversified, widely scattered. In general, its efficiency and modernity had to be on the high level set by the auto manufacturers themselves. The contribution in know-how, machine tools, and specific skills to Canada's industrial war effort and the speed with which it was able to swing into production on war work is one of the highlights of Canada's industrial war story.

This article also shows the contribution of this little known industry to employment in scores of Canadian centres, big and little. The author is a recent addition to The Post writing staff. Galen Craik, a McGill graduate, who for some years was night editor, The Regina-Leader Post and latterly, editorial writer.

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The Post's Ottawa editor, Kenneth R. Wilson, is now visiting Great Britain. This week, he cables an outstanding interview with Lord Woolton, Britain's Minister of Reconstruction. A second cable outlines informed British thinking with respect to the invasion of Europe.

Visiting a bomber station in the Midlands, Wilson welcomed back from the Leipzig raid a pilot son of Gordon L. Smith, assistant Post editor. "Bob" Smith is 22 and the Leipzig raid was his 27th over Germany. A tall, thoughtful youth, young Smith, before the war, was eyeing a career as teacher in a university.

See Much Improvement In General Food Picture

(Continued from page 1)

of livestock is located on eastern farms. But the authorities, many of the farm organizations and the railroads have been making strenuous efforts to get the feed and stock together with the result that some reserves have been built up in central Canada.

If present record rate of meat production throughout the year is maintained, and most authorities expect that it will be or nearly so, then not only will there be ample beef, pork and mutton to meet domestic rationed requirements, but a big volume for export as well. It is just possible that Canada this year may come very close to last year's record bacon export to Britain which was somewhere around 600 million pounds. And it is almost certain that if we don't ship this much bacon, the difference will largely be offset in brand new increases in other meat exports.

While some breeding stock, especially in hogs, was liquidated last fall and this winter, total livestock population, it is stated, was never as high as today. From this breeding or foundation stock come the pigs and calves, which in six to 18 months are turned into the roasts, steaks and hams that come to the consumer's table.

In sharp contrast to the largely grain consuming meat animals, dairy cattle require vast quantities of grass, hay and other forage crops, of which no great surplus is possible. Grass is a week to week proposition during the growing season and even hay can seldom be carried from one year to the next. Production depends absolutely upon the kind of weather from spring until fall. If it is moist then growth is abundant, if there is widespread drought then a shortage is certain. This explains the warning voiced in the first paragraph.

But authorities have another worry in regard to dairy production. It is no secret that domestic consumption has been soaring, especially of unrationed fluid milk. The latter is said to be easily the most popular drink on the market today, and every limitation on soft drinks, and even beer, has been reflected in steadily mounting sales of fluid and chocolate milk. Some mild form of rationing is considered possible before the end of the year as the growth is far out of proportion to the moderate five or six per cent gain in general dairy production in the last two years.

There is also a little worry about cheese, especially in view of our export commitments to Britain. Here, however, the authorities are confident that they can by a manipulation of butter and cheese subsidies divert sufficient raw material from butter factories to cheese to bolster output or they can export butter in the place of cheese.

The farm labor and machinery situation is generally described as improved from a year ago. Not only has the exodus from farms to the cities in search of war work been largely stopped but some reverse of this movement is expected as certain war manufacturing diminishes. Aiding the general situation, too, is the better organization of high school students and other sources of temporary help for rush jobs like harvesting, fruit picking, etc.

In machinery more manufacturing of new implements and parts has been permitted and it is expected that there will be more co-operative use of big machinery like tractors and combines. The general situation, however, remains tight enough.

See New Plan Air Raid War

Liepzig Type of Attack on Fighter Strength May Shorten War

By KENNETH R. WILSON
Staff Cable

MANCHESTER. — Conversations with members of the ace Canadian bomber squadron that participated in the Liepzig raid of last Saturday night, and with other observers over here, leads to the conclusion that the biggest single obstacle to Germany's defeat is her remaining fighter plane strength.

The extent to which we are able to knock out or seriously cripple the Luftwaffe fighters is the measure of our ability to eventually invade Western Europe with the minimum cost in lives and materials.

The Liepzig type raids, designed to strike at the heart of the fighter plane production centres, are deemed the most critical and portentious operations, with their success or failure gauged not so much by the earlier rule of thumb percentage of losses to the number of aircraft participating, but in relation to their effectiveness in knocking out these factories and cutting off supplies of fighter aircraft to Western Europe.

The view here seems to be that if this job is done effectively it will prove to be the turning point of the war, avert a great cost of lives and shorten the war. So long as Germany keeps up the flow of fighter aircraft the prospects of an early successful conclusion of the war are not bright.

THE BATTLE OF, BY AND *for the* GUNS!

The battle for guns waxes hotter and fiercer as the battle of and by guns grows in intensity. Canadian workers in scores of factories are toiling day and night to produce these weapons. What an inspiring battle for guns our men and women workers are fighting! With them—with all war-workers and war industries, and with our government—the Bank of Montreal is co-operating in supplying the special banking needs of war-time.

BANK OF MONTREAL

FOUNDED IN 1817

Modern, Experienced Banking Service . . . *the Outcome of 126 Years' Successful Operation*

A 180

New Brunswick Telephone Co. announces that F. Johnson, vice-president of the Bell Telephone Co. of Canada, Montreal, has been elected to the board of directors replacing the late William J. Kent, of Bathurst, N.B.

All-Weather Coats

by Chas. MacIntosh

19.50

We have just received our new Spring range of these famous coats by "Chas. MacIntosh" — a name synonymous with the finest in coats for wet weather. London-tailored in roomy balmacaan raglan style with fly front and slash pockets. The fine weather-proofed poplin is self-lined throughout for double protection. Sizes 34 to 46 in shorts and talls as well as regular lengths. Each 19.50.

Other fine tailored in England, all-weather coats, priced from 15.95 to $25.

Simpson's the store for men second floor

Sorry!

The flood of early orders for our 1944 investors' reference books has exhausted the available supply allowed under WPTB No. 295.

We are unable to fill further requests for

SURVEY OF MINES

SURVEY OF CANADIAN OILS

Please take care of your copies — they can't be replaced!

THE FINANCIAL POST

Ontario Plans For Postwar

(Continued from page 1)

will be undertaken by an Ontario Forestry Resources Commission.

Farther afield, the Provincial Government is also laying plans for more extensive trade. It hopes to expand trade with Britain and other countries through the activities of Ontario House in London.

A measure to inaugurate religious instruction in public and secondary schools, public health service expansion, limiting the cost of Hydro Electric power to southern Ontario municipalities to $39 a horsepower, were other throne speech highlights. It is also planned to consolidate the three separate permits for beer, wine, and hard liquors.

Hedley Mascot Gold Mines will resume milling about April 1, providing sufficient labor is available. Placing the property in shape for a resumption of milling will be completed about the end of March, it is announced officially. In order to feed the mill and carry out the necessary amount of development, an additional 50 men will be required and the management is endeavoring to secure this number through National Selective Service. On Jan. 12 negotiations were concluded for an option on the Good Hope group of mineral claims owned by W. R. Wheeler; these claims are about 2½ miles southwest of the Mascot mine. Further work is planned on these claims where exceptional values are stated to have been secured.

Aluminium Flare-up

(Continued from page 1)

he supported the motion but shared Mr. Graydon's objection to secrecy.

Mr. King then rose in a blaze of temper, to state that the committee was being set up solely in order to assist the treasury in war economies, that the Progressive-Conservatives instead of helping to concentrate on efforts to win the war, were promoting efforts to win elections and make political advantage. There were no Progressive Conservative "nays" when the vote was taken.

For the second time in two days Mr. King had given a lively impersonation of a Prime Minister about to dissolve Parliament. Both times he contrived to make the issue the efficient prosecution of the war. And on the second occasion, at least nobody so much as bent over to pick up the glove.

United Corps.' Assets Increase

Annual statement of United Corporations Ltd., just mailed to shareholders, shows substantial increase in investment valuations. Excluding $512,500 of the corporation's holdings of its own income bonds, cancelled in 1943, valuations at Dec. 31, 1942, were $8,205,254. At the close of 1943, valuations had risen to $9,821,316, a rise of 19%.

Break-up value of Class B shares rose from $14.25 to $21.04, while the assets behind each $1,000 bond amounted to $125.83 at Dec. 31, 1942, 1943. Asset value of the class A shares amounted to $125.83 at Dec. 31, 1943 against $87.42 a year earlier.

Gross income from investments for 1943 reached $456,359, compared with $434,096 for 1942.

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U. S. Pulp Price Advance Helps Canadian Exporter

From Our Own Correspondent

MONTREAL. — As a temporary move to help maintain production, the U. S. Office of Price Administration has approved price increases ranging from $2 to $10 a ton on four major grades of woodpulp from Canada: Groundwood pulp, soda pulp, bleached sulphite and unbleached sulphite. The price ceiling on sulphate pulp was increased a short time ago.

American producers will thus receive an additional $12.5 millions, the OPA estimated, or 11.7% over previous ceilings. The woodpulps given ceiling increases represent 55% of total woodpulp tonnage sold on the market, the increases are equivalent to a general raise of 6.4% in the ceilings of all marketed woodpulp.

Other Changes Possible

The OPA left the door open for increases down the line on other grades of woodpulp by stating other ceilings would be re-examined to determine their adequacy for maintaining production.

Basis of Increase

Specific increases permitted are as follows:

1. The groundwood pulp ceiling on all sales in the United States, including imports from Canada, is increased $4 a ton. The new ceiling is $50 a ton. Standard newsprint sideruns which are used for the same purposes as groundwood pulp, are likewise increased $4 a ton to a new ceiling of $50 a ton. An additional increase of $3 a ton is permitted for groundwood pulp that has been dried on paper machines. Groundwood screenings are increased $2 a ton to a new ceiling of $32 a ton.

2. Soda pulp ceilings on all sales in the U. S., including imports from Canada, are increased $6 a ton. The new ceiling on bleached soda pulp is $72 a ton and the new ceiling on unbleached soda pulp is $68 a ton.

3. Ceilings are raised on sulphite produced in the U. S. as well as on all imports from Canada. Bleached sulphite ceilings are increased $10 a ton to $86 a ton for softwood and to $83.50 for hardwood. Unbleached sulphite ceilings are increased $8 a ton to $74 a ton for softwood and to $71.50 for hardwood. Sulphite screenings are raised $5 a ton to $43.50 a ton.

In deciding on the amount of the increases. OPA said consideration was given to subsidy payments to woodpulp producers, which have been made since July, 1943, by the Defense Supplies Corp. The increases are predicated on the continuation of these subsidies, with possible modification of the 1943 program, it was said.

Woolton Favors Expansionist

(Continued from page 1)

ties, public utility companies and private undertakings to expend capital on plans which we shall encourage them to defer until this period, but which we must have ready to the last detail for immediate execution where necessary."

Lord Woolton also envisages a flow of new industries into Britain after the war, rather than the reverse, and gave assurance of available working capital for this purpose. This opens up as a corollary the question of industrial migration that might otherwise come to Canada and elsewhere. Lord Woolton gave no inkling of anything in the nature of an embargo on such a trend, but merely emphasized the necessity for turning this migration toward, not away from, Britain.

Last week's health insurance proposals, embodying complete free medical and hospital services for all to take advantage of them, are applauded by most commentators as a wise and inevitable step.

The chief reservation is whether it is possible to continue to permit doctors to practice privately alongside the new proposed plan. The plan suggests the doctors may work under the scheme and still continue having private patients. The question is, can they properly continue to serve two masters. Apart from this the Government is thought to have found a reasonable compromise between the extreme socialist and private enterprise views.

Public Interested

There is much favorable comment at the immediate bookstand sale of the threepenny popular summary of the new proposals, which were on sale at the same time the newspaper announcement of the plan was made.

It must be remembered that the Government has not proposed an actual bill, but merely made certain proposals for discussion and debate.

Detailed plans submitted by the Lancashire cotton industry for carrying price and production controls into the postwar era have caused considerable controversy. These would carry over into peacetime ideas for eliminating cutthroat competition, but comment now centres on the extent to which the Government is being asked to put a prop under the status quo.

The rayon branch of the textile industry has disassociated itself from this scheme, although the cotton industry is admittedly in a unique position.

Outcome of the present discussions between industry and the Cabinet is expected to give some clue to the Government attitude toward postwar industrial and bureaucratic controls.

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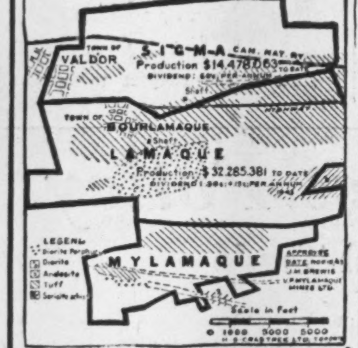

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THE WASHINGTON LETTER

See Baruch Plan Delayed Till After November Elections

By LAWRENCE SULLIVAN

WASHINGTON.—Two points of fundamental historical significance characterize the Baruch Report on postwar liquidation and reconversion. First, the entire program anticipates, and is predicated upon, full resumption of the private enterprise system, as distinguished from state collectivism. Secondly, it acknowledges frankly the errors of the mobilization program as applied since June, 1940, and warns against their repetition.

The recommendation that all the problems of demobilization be centered in one federal authority, rather than scattered among 10 or 12 emergency agencies as at present, is the keystone of the Baruch Plan.

Certain legislative difficulties, moreover, must be surmounted before the liquidation program becomes a working reality.

With the presidential conventions scheduled for June and July, Congress must complete its work not later than mid-June. In the 3-month interval the price-control program must be renewed, since existing OPA authority expires June 30. Its extension involves the whole issue of food subsidies, which has deadlocked both House and Senate since last October. The President's prompt and vigorous veto of the measure outlawing food subsidies forewarns of grave political difficulties in extending the price control authority for two more years.

In the end, the OPA surely will be renewed in some form before June 30. But the new legislation will likely embody a number of compromises on both basic policy and administrative procedures. By the time all conflicting viewpoints on price control are reconciled in Congress, only a few weeks will remain before the summer recess for real work on the Baruch program. At the moment it would appear about an even bet that no comprehensive postwar program will be set down by Congress until after the November elections.

* * *

Labor Law Rejected

Mr. Roosevelt's January proposal for a mandatory labor conscription law has been rejected by solid majorities in both the House and Senate. Informal polls by Congressional leaders last week indicated not more than 8 or 10 of the 96 senators would support such a bill, and only about 25 of 30 in the 435 House membership.

These advance testings of legislative sentiment suggest strongly that the labor-draft will not be reported out of committee in either Chamber.

Attitude of Congress apparently flows from a settled conviction on Capitol Hill that the proposal was put forward more as a political gesture than a determined win-the-war measure. It served effectively in January as a smoke screen to cover the virtual breakdown of the Administration's no-strike policy. Further, it cooled somewhat the hot indignation of the military forces over the greedy excesses of organized labor on the home front.

The stark threat of conscription pulled our labor leadership up sharply to a new sense of accountability to outraged public opinion.

* * *

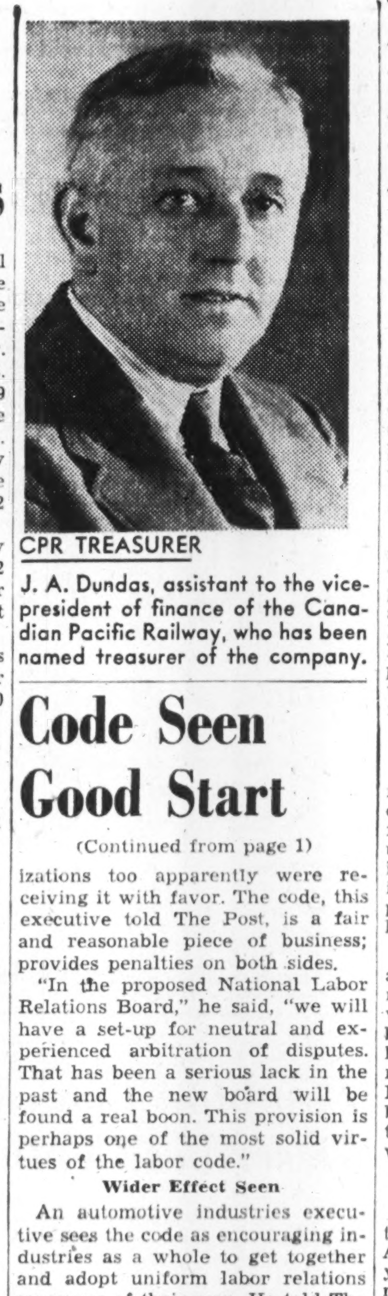
U. S.-Japanese Strength

The brilliant attack on the Japanese "Pearl Harbor" at Truk now releases for the first time the full story of U. S. naval might in the Pacific. The quickened pace of the Pacific offensive now has eliminated the original reasons for secrecy.

An over-all comparison of U. S. and Japanese naval forces shows 19 first-line aircraft carriers for the U. S., against 7 or 8 for Japan. Heavy carriers are supplemented by some 30 converted carriers in the U. S. Pacific fleet, against 8 to 12 for Japan.

U. S. battleships and heavy cruisers number 22 against 10 or 12 for Japan, and the U. S. destroyer fleet now boasts 325 craft, against perhaps 90 for Japan.

In submarines, the count stands approximately 205 to 100 in favor of the U. S. Light cruisers stand 60 to 40.



CPR TREASURER

J. A. Dundas, assistant to the vice-president of finance of the Canadian Pacific Railway, who has been named treasurer of the company.

War and Business

Silk Stocking Rumor

In spite of prompt denial, the story that natural silk stockings will be back in Canadian retail stores next month continues to bounce up and haunt the WPTB. What happened was that a harassed administrator in Halifax promised to see that local merchants got more stockings. He meant rayon stockings, of course, but in the heat of the moment he used the unqualified, potent word "silk." Say the WPTB, patiently: "No silk is entering the country. If it were, it wouldn't be released for stockings. There is nothing in the rumor."

* * *

"Heirless" Farm Owners

Seventy thousand or 10% of the total number of farm owners in Canada are over 60 years of age and have no direct heirs to carry on. This information, it is understood, was revealed when an official survey was undertaken with the object of locating farms for discharged service men. But it was also discovered that the great majority of these 70,000 farm owners had no intention of selling immediately. They hoped for either or both of two developments:

1. Higher farm prices later, or
2. Accumulation of a better nest egg from present remunerative farm operations.

* * *

Air Freight Costs

Estimates of postwar air costs may have to be drastically revised as a result of unexpected progress made in improved designs and engines. The present U. S. rate is figured at around 70 cents per ton mile and experts so far have usually considered a reduction to 50 or 40 cents after the war as about the best that could be expected for several years. There are reports, however, that those figures may be more than cut in half when planes, now on the designing boards, come into production. By rail it costs about a cent to move a ton of freight over an average mile and in substantial volume.

* * *

Where Washers Go

WPTB has permitted the manufacture of a limited number of washing machines and other hitherto restricted household lines. But the order won't bring much general relief if the experience of one Ontario plant is typical. This one got an OK to turn out 500 washers, but every single machine in prospect has been ordered by its own employees. Unless the limit is raised substantially there won't be one for the jobber and retailer, let alone the ordinary consumer.

* * *

Shoe Squeeze Tightens

With the cutting in half of a 4% trade discount on leather for footwear, shoe manufacturers and some jobbers and dealers suffered further increase in the cost of doing business under the price ceiling. This action, taken Feb. 1 by WPTB, brings some relief to the tanner but it is relief being paid for just now by the maker of shoes, for the cost increase represented in the diminished discount can't be passed along to the retailer or the consumer.

Code Seen Good Start

(Continued from page 1)

izations too apparently were receiving it with favor. The code, this executive told The Post, is a fair and reasonable piece of business; provides penalties on both sides.

"In the proposed National Labor Relations Board," he said, "we will have a set-up for neutral and experienced arbitration of disputes. That has been a serious lack in the past and the new board will be found a real boon. This provision is perhaps one of the most solid virtues of the labor code."

Wider Effect Seen

An automotive industries executive sees the code as encouraging industries as a whole to get together and adopt uniform labor relations measures of their own. He told The Post the new code itself, however, has awakened little interest in his field since almost identical provisions are contained in a code in effect for more than a year in that industry.

Departmental manager of a big Toronto manufacturing firm with several thousand workers and both war and peace markets, wasn't prepared to discuss the national code until he'd had a closer look at it but took the opportunity to tell The Post that in his firm's view industry in general has even greater interest in voluntary co-operation between management and labor.

Legislation, he thought, would be of secondary importance when Canadian industry adopted something like the Whitley Council scheme (Britain, 1914-18 and after) as an extension from labor-management committees now doing a worthwhile job in war industry.

B. C. Approves New Ottawa Labor Code

CCF Quiet as Province Already Has Adopted Many Social Measures

From Our Own Correspondent

VANCOUVER. — CCF opposition to British Columbia's coalition Government during the present session of the legislature has been notably silent, probably because most of the policies advanced by the Socialists have been espoused by the Hart Government without resorting to socialist controls.

British Columbia's social legislation is already so advanced that it will be but a short step for this province to embrace all the provisions of the new federal labor code. In fact, it is believed Ottawa followed the British Columbia "experiment" in social legislation pretty fully when it laid down a policy for the nation

Coast Likes Labor Code

There appears to be general satisfaction on the Coast with the labor code. Some industrialists, however, fear the province may be building up an edifice so costly in operation it will handicap the basic exporting industries in meeting world competition after wartime restrictions have been removed.

The wartime shipbuilding and aircraft construction boom has already accustomed some 50,000 B. C. women to higher wages and to the benefits of social legislation. B. C. has gone farther in the latter connection than any other province. For that reason this province may be the first to bring all her industries within the scope of the new wartime labor relations regulations.

I. D. A. Revised

The Government does not propose to reopen the Industrial Disputes Act during the present session. Last year this Act as well as the Workmen's Compensation Act, was completely revised. Right of organized labor to collective bargaining has been fully established in B. C. and during the past year organized labor has followed up this advantage by an aggressive campaign, especially in the forest and mining industries.

Organized labor is very active in the fishing industry, one of the present points at issue between organized fishermen and the packers concerning a request by the fishermen that they withhold deliveries of salmon from plants where a labor dispute happens to be prevailing at the time.

Zealous Labor Minister

Hon. George S. Pearson, former Nanaimo storekeeper who has been labor minister for British Columbia since the early days of the Liberal administration and who has continued to hold that portfolio in the coalition government, says it is his desire to sell employers on the wisdom of labor legislation.

Parliament At Work

The Busy Man's Guide to the Week in the Federal Capital

Legal aid for soldiers, provided on a voluntary basis by members of the Canadian Bar Association, will be extended to their dependents, Defence Minister Ralston announced. (Hansard, p. 507.) Such action may be ratified at next CBA meeting. R. B. Hanson, (Prog. Con., York Sunbury) a lawyer, said, "this is a gratuitous service offered by a profession which is often accused of being very mercenary."

Income tax exemptions may be granted Canadians who served at Kiska. In any event, Defence Minister Ralston, impressed by arguments on their behalf, has promised consideration. It was claimed that "geographically," the men had served outside the western hemisphere, and therefore were entitled to the same tax consideration as those who had been further afield.

Cleaning the windows of Ottawa government buildings cost $36,225 in 1943, Works Minister Fournier told a questioner. Similar job in 1938 cost only $17,229. Reason for the jump, more buildings, and more windows.

Army venereal disease control measures were outlined by Defence Minister Ralston, (Hansard, p. 629.) Blood tests are now given all men entering the Army and only 1% are found diseased. Army V.D. rate was 38 per 1,000 in 1942, and down to 32 per 1,000 in 1943.

Training for R.C.A.F. air crew has become more highly specialized than ever. As a result, said Air Minister Power, (Hansard, p. 556,) air crew men now taken on strength will not be in combat for a considerable time—"increased complexity of modern aircraft requires lengthy training over an ever widening range of subjects."

More psychiatrists for the Canadian Army was the plea of G. K. Fraser, (Prog. Con., Peterborough West.) He knew of cases where they have put several "men on their feet." Defence Minister Ralston said there were 63 psychiatrists in the Canadian Army at present, in Canada and overseas.

About 700 army officers have been retired, either because of age, or because they can no longer be advantageously employed. Advantages of the policy are—it gives the retiring officer a chance to "re-establish himself in civil life before the rush of demobilization comes," and the "younger officer a chance to make his mark in this war." Howard Green, (Prog. Con., Vancouver South), urged some of them be trained for "administration work in overrun countries."

News services for men overseas were outlined by Mr. Ralston. L. A. Mutch (Lib., Winnipeg South,) said, among men overseas he "found an appalling lack of knowledge of what was going on."

Present high officer strength of the Canadian Army was cited by Defence Minister Ralston as the reason for closing officer training schools at Gordon Head, B.C., and Three Rivers, Que. Speed in training was necessary in 1942. Now, with a big reserve of officers available (approximately 6,000) training can be concentrated. Present policy is to recommend for commissions men who have proved themselves overseas.

Storage paid and accrued for grain in terminal elevators for the 1942-43 season totalled $6.2 millions, Trade Minister MacKinnon revealed. Terminal storage to Jan. 31, 1944, for the 1943-44 season, was $627,480, not including accrued storage charges.

Skilled men, or tradesmen, compose 35% of the Canadian Army, Defence Minister Ralston said. There are more than 200 different trades, many of them highly specialized.

Allowances to dependents were discussed exhaustively (Hansard, pp. 632-646), several members protesting the practice of cutting off allowances when soldiers were absent without leave. Defence Minister Ralston, although recognizing the "humanities" involved, said there would be a "tendency to break down discipline if one were to act too leniently."

Naturalization procedure designed to stress the importance of Canadian citizenship was urged by H. C. Green, (Prog. Con., Vancouver South.) He wants the defence of Canada regulations committee to consider naturalization and deportation as well. (Hansard, p. 650.) Schools for those desiring citizenship, an official welcome into citizenship, including native Canadians, were commended. He asks that naturalization laws be brought up to date. "The way a nation looks upon naturalization shows the value it places on citizenship." Other speakers approved.

For research into the utilization of farm crops, the government has provided a sum of between $325,000 and $500,000 for the current fiscal year, Mr. Gardiner revealed.

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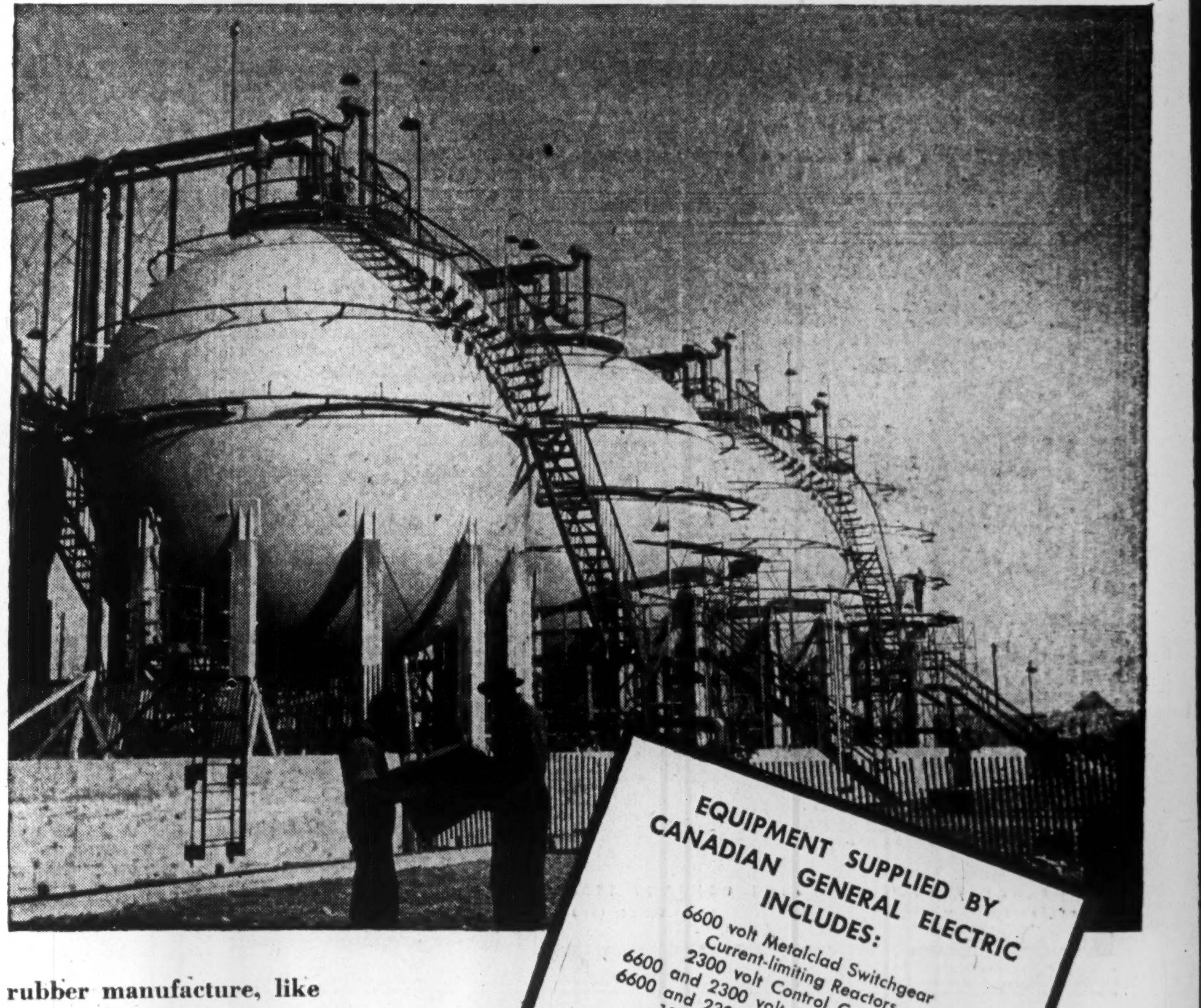

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Investments

Free Trade Investment Factor

There are two extremes of thought on what free trade with the United States would do to Canadian stock values. One group holds that what business would lose in price protection would be more than compensated by the opening up of the big U. S. market to Canadian enterprise. Although the lines are far from clearly drawn, this group tends to include raw material producers such as the base metal miners, and a number of industries where tariff protection is very low already, such as the farm implement group whose tariff against the U. S. is only 7½% in normal times. (The fact that the exchange premium of 10% and the war excise tax of 10% boosts all tariffs by 20% except those cut by order-in-council is not regarded as "protection," since these are purely wartime barriers and there has not been time, or materials, for industry to gain any advantage from them.)

In the opposite camp are a number of industries now protected by duties of 25% or more. Typical are washing machines, electric ranges, electric refrigerators, stoves of all kinds, all of which have a 25% tariff.

Difficult to catalogue are the automobile companies and many of the electrical firms which are subsidiaries of U. S. companies. With free trade, would it pay to concentrate production of these companies in the United States, or would it be wiser to continue production in Canada, possibly on a more specialized footing? Those who take the latter view point to the fact that the automobile industry had already embarked on a program of decentralization before the war. If it paid to turn out cars in New Jersey as well as Michigan, why not in Ontario as well?

From the investor's present day viewpoint, very little can yet be deduced from these opposing stands. These facts, however, stand out:

Free trade talks have already been held on a high level with Britain and the United States. Experts are now getting down to details.

According to the Gallup Poll, 70% of Canadians favor free trade. And, according to their published statements all three major Canadian political parties favor revision.

This makes free trade, or at least important tariff reductions, something for the investor to consider. The safest hedges will likely be companies which already export to the United States, such as papers, or companies with "natural protection," such as utilities, and many lines of merchandising and other trades located close to their markets.

New Highs and Lows

In the week ended Feb. 15, 1944, 77 industrial stocks, 18 mining stocks, and 4 oil stocks, made new highs on Canadian exchanges for 1944. New lows were set by 16 mines and two oils.

GENERAL

New Highs 1944

Agnew Surpass, c.
Algoma Steel, pfd.
Bk. Can. Nationale
Barker's Bread, pf.
Beaver Lumber, c.
Blue Ribbon, pfd.
Caldwell Linen, c.
Do., 2nd pref.
Cagary Power, pfd.
Can. Wire & C., pf.
Can. Canners, c.
Canadian Car, c.
Do., new pref.
Can. Celanese, c.
Do., rights
Can. Gen. Inv. Tr.
Can. Locomotive
Can. Pacific Rly.
Can. Westinghouse
Claude Neon
Cons. D. Std. Sec. A
Dairy Corp., pref.
David & Frere, A
Do., B
Dom. Scott. Inv. pf.
Dominion Tar, c.
Dom. Textile, c.
Dom. Woollens
Do., pref.
Fanny Farmer
Fraser Cos. vot. tr.
Gt. West Sadd., p.
Ham. Un. Theat., c.
Imperial Tob., ord.
Imperial Varnish
Do., pref.
Inter. Metal
Do., pref.
Do., A pref.
Lake of W'ds M., c.
Laura Secord
Maple Leaf Gdns.
Do., pref.
Mar. Tele., pref.
Mitchell, Robt.
Montreal Island Pr.
Monarch Knit., pfd.
Mtl. Refrig., c.
Montreal Teleg.
Moore Corp., c.
Murphy Paint, c.
Noorduyn Av.
Power Corp., 1st pf.
Royal Bank
Russell Indust.
Do., pref.
Sarnia Bridge
Standard Clay
Stand. Paving
Do., pref.
Supersilk Hose., A
United Corp., B
Walkerville Brew.
West. Grocers, pfd.
Weston, Geo., com.

New Lows

Dom. Glass, c.
Eastern Dairies, c.
Federal Grain
Do., pref.
Gt. Lakes Paper, c.
Hillcrest Collieries
Lake St. John Pr.
Lindsay C. W., pf.
Maple Leaf Mill.,
Do., pref.
Montreal Trams.
Power Corp., 2nd p.

MINING

New Highs	New Lows
Armistice	Bobjo
Astoria Que.	Bonetal
Bagamac	Broulan
Beattie Gold. rts.	Buffalo Can.
Central Cadillac	Cariboo
Central Manitoba	Coniaurum
Coin Lake	Dome Mines
Gillies Lake	Glenora
Hasaga	Hudson Bay
Jack Waite	Jellicoe
International Mng.	MacL.-Cockshutt
Kootenay Belle	Pamour Porc.
Noranda	Proprietary M.
Placer Develop.	Prospectors Air
Pacific Nickel	Senator Rouyn
Premier Border	Sturgeon River
Silbak Prem.	
Taylor Bridge	

OILS

New Highs	New Lows
British Dominion	East Crest
Brown Oil	Okalta
Mid-Continent	
Pacific Petroleum	

Market Comment

Industrials In Spotlight

As shown by the averages, Canadian industrials made moderate gains during the week ended Feb. 22, 1944, advancing .55 at Toronto and .50 at Montreal. Base metals and western oils also made advances at Toronto. Losses were registered by the golds at both markets, and at Montreal, utilities and papers lost some ground. Volume at Toronto was up 524,000 over the preceding week, but down 75,000 at Montreal. Industrials, some observers point out, have reached the highest point since last Nov. 2.

• • •

Brookmire (New York) Counsellor—Since the industrial (Dow-Jones) average is far from its high comparable with the rail figure now being approached the divergence is not likely to be resolved in the near future and caution is still implied.

• • •

Magazine of Wall Street (New York)—. . . it may well be borne in mind that during years of considerable investment and speculative uncertainty—as well as in bear market years—market declines in March or April have been quite frequent. We doubt that this is a bear market year — although decline in the averages below the November lows would so proclaim it to be on orthodox technical reasoning—but it certainly is a year of momentous uncertainty.

The "M" Chart

Ability to recognize a trend, constitutes one of the prime requisites to ultimate success.

The "M" Chart interprets the trend with mechanical precision.

Weekly Service — Trial Subscription Three Months $5.00

The Chartrand Market Service Inc.
614 St. James St. West, Montreal
Phone PLateau 8171

Company Reports

Mortgage Corp. of N. S.

Years Ended Dec. 31

	1943	1942
Earned on paid-up capital	5.14%	5.26%
Paid	5.00	5.00
Total net assets	$1,742,846	$1,761,048
Less gtd. liabilities	396,672	415,814
Shareholders' equity	1,346,174	1,345,232

(Previous year's figures bracketed below.)

Net earnings of Mortgage Corp. of Nova Scotia amounted to $34,941 ($35,800) for the year ended Dec. 31, 1943, after payment of $19,573 ($19,836) for taxes. Mortgages and agreements for sale were down slightly to $1,301,759 ($1,365,844), while Dominion of Canada bonds and interest rose to $75,387 ($30,161). Real estate held for sale decreased to $32,020 ($40,023). Chief change in liabilities occurred in debentures, which fell to $341,403 ($357,382), and deposits, which decreased to $50,954 ($54,075).

Canada Foundries

(Year Ended Dec. 31)

	1943	1942
Net profit*	$201,339	$262,933
Earned per A share	$3.27	$4.05
Earned per B share	8.33	11.48
Paid on A stock	1.50	1.50
Paid on B stock	1.50	1.50
Working capital	$750,451	$748,563

*Excluding refundable portion of E. P. tax of $117,909 in 1943 and $88,000 in 1942.

(Comparative 1942 figures bracketed).

Increased production costs and the price ceiling offset the benefits of a larger volume of business giving Canada Foundries and Forgings a gross income in 1943 of $896,655 ($1,082,220). An increase in depreciation reserve to $125,445 ($37,159) tended to balance lower provision for taxes.

During the past year the large backlog of unfilled orders from 1942 was sharply reduced by completion of many long run contracts. With war contracts in prospect and greater output of essential commercial goods should provide a satisfactory volume of business in 1944, according to President W. M. Weir.

The balance sheet shows a number of changes. Cash is off to $28,178 ($194,481) but investments are up to $250,000 ($150,000). Receivables total $511,707 ($702,183); inventories $857,077 ($997,776). Bank loans increased during the year to $250,000 ($150,000), while accounts payable declined to $188,441 ($396,526). Number of "A" shares outstanding was reduced during the year to 37,000 (37,545).

Distillers-Seagram

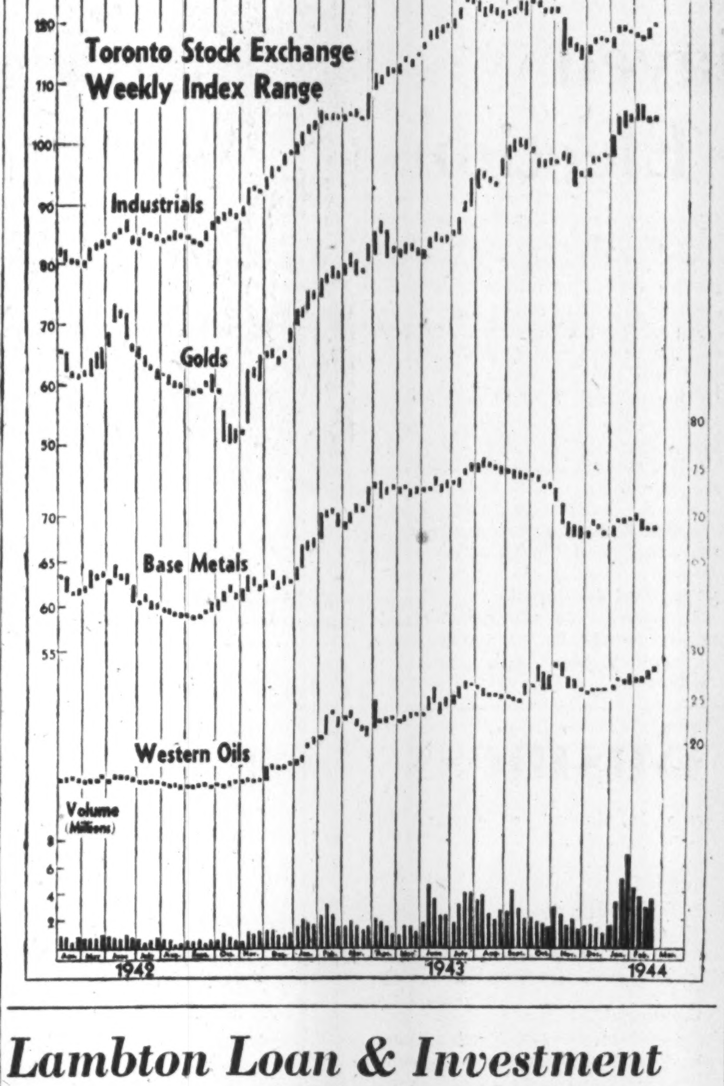
(Three Months Ended Jan. 31)

	1943	1942
Net profit	$3,179,540	$3,707,997

(Comparative 1942 figures bracketed).

Consolidated operating earnings of Distillers Corp.-Seagrams for the quarter ended Jan. 31, 1944, totalled $7,209,214 ($10,194,462). Provision for income and excess profits tax dropped to $4,029,674 ($6,486,465).

For the half year ended Jan. 31, 1943, the company had a revenue of $17,559,995 ($25,077,467). The smaller volume was reflected in tax provision of $10,349,100 ($15,984,105) while a contingency reserve of $1 million was set up, the same as in the previous year, leaving net profit of $6,210,895 ($8,093,362).



Lambton Loan & Investment Describes Century of Growth

An attractive pamphlet commemorating its one hundredth year of operation describes the growth of Lambton Loan & Investment Co., since its establishment as The Port Sarnia Syndicate 23 years before the birth of the Dominion of Canada.

In those days Sarnia, with a population of 420, was regarded as an outpost of empire. What later became Lambton county subsisted on the returns from small-scale potash and fishing industries. Agriculture, though nearly self-sufficient, did not produce a cash crop.

Money Needed

Funds for investment were badly needed during the expansion that followed. Original members of the company later known as Lambton Loan & Investment resolved to co-operate in solving the common financial problem.

After the passing of the Upper Canada Building Society Act in 1846, the Port Sarnia Syndicate was changed to a terminable co-operative building society based on the type common in England at the time. Loans were made only to members, and directors served without remuneration. Loans were placed by auction.

An excerpt from the minutes of a loan meeting in 1847 shows how scarce funds were. One loan was taken at 45%.

Subsequent chapters tell of the fortunes of the company during the advent of the railways and the local oil development, throughout Confederation and the vicissitudes of the twentieth century.

The booklet is not only a tribute to long-established company, but a valuable addition to the literature on the economic history of Canada.

Well Secured Bonds To Yield About 5.80%

Earnings of Consolidated Paper Corporation Limited, available for bond interest and depreciation, in the year ended December 31st, 1942, amounted to $7,676,517, compared with bond interest requirements of $2,573,622.

It is estimated that earnings for 1943 at least equalled those for 1942 and, consequently, that net current assets are now substantially in excess of the $18,000,000 shown as at December 31st, 1942.

The Corporation, with an annual capacity of approximately 600,000 tons of newsprint, is one of the world's largest producers. In addition, its Wayagamack division is an important manufacturer of kraft pulp and paper.

Consolidated Paper Corporation Limited
5½% First Mortgage Bonds
Due July 2nd, 1961
Payable in Canada, New York or London, Eng.
Price: At the market, to yield about 5.80%

Descriptive circular gladly forwarded upon request.

36 King Street West
Toronto
Telephone: ELgin 4321
Wood, Gundy & Company Limited

WHY FLY BLIND?
Clear visibility can be quickly secured through our Research Department, on any securities you have or contemplate buying.
Write for our recommendations.

GOODWIN HARRIS & COMPANY
STOCK BROKERS AND BOND DEALERS
MEMBERS: THE TORONTO STOCK EXCHANGE
MONTREAL CURB MARKET
CANADIAN COMMODITY EXCHANGE INC.
347 BAY ST., TORONTO PHONE AD. 9041

FOR YOUR LIFE INSURANCE CONSULT—
The EXCELSIOR LIFE INSURANCE COMPANY
A STRONG CANADIAN COMPANY

New Issue

These Bonds having been sold, this advertisement appears as a matter of record only

$1,250,000

York Knitting Mills, Limited

(Incorporated under the Ontario Companies Act)

First Mortgage Bonds, Series "A"

To be dated March 15, 1944 — Maturing March 15 as undernoted:

$50,000	2½%	1945	$50,000	3¼%	1952
50,000	2½%	1946	50,000	3¾%	1953
50,000	3 %	1947	50,000	3¾%	1954
50,000	3 %	1948	50,000	3¾%	1955
50,000	3¼%	1949	50,000	3¾%	1956
50,000	3¼%	1950	50,000	3¾%	1957
50,000	3½%	1951	50,000	3¾%	1958

550,000 4% Sinking fund bonds, maturing March 15, 1964

Principal and half-yearly interest (March 15 and September 15) payable in lawful money of Canada at the principal offices of the Company's bankers in Toronto, Hamilton, Montreal, Winnipeg and Vancouver and at the principal offices of the agents of said bankers in Halifax and St. John, at the holder's option. Coupon bonds in denominations of $1,000 for the serial bonds and $1,000 and $500 for the twenty-year bonds, registerable as to principal only. This issue is redeemable in whole or in part at the Company's option, at any time prior to maturity on thirty (30) days' notice at 101.00 for the 2½%, 3%, 3¼% and 3½% bonds, and at 102.00 for the 3¾% and 4% bonds up to, and including, March 15, 1945, and thereafter the premium for redemption declining, in each case, at the rate of ¼ of 1% per annum for each year or fraction of a year, in all cases with accrued interest to date of redemption.

A Sinking Fund, applicable to the Series "A" bonds maturing March 15, 1964, shall commence on March 15, 1959, and such annual payments thereupon shall be $50,000 plus interest at 4% on Sinking Fund Bonds previously redeemed, provided that Series "A" bonds may be tendered by the Company to the Trustee in lieu of cash and shall be credited by the Trustee at the principal amount thereof.

Trustee: The Royal Trust Company

The Company

In 1911 York Knitting Mills, Limited was incorporated under the laws of the Province of Ontario. Two plants are situated in Toronto; one in Hamilton and two in Woodstock. In Toronto, York Spinning Division manufactures French spun worsted, woollen and cotton yarns, while Toronto Hosiery Division manufactures men's and women's hosiery. In Hamilton, Zimmerknit Division is engaged in the knitting and finishing of underwear and outerwear. In Woodstock, Harvey-Woods Underwear Division is engaged in the knitting and finishing of fine quality underwear and Hosiers Division manufactures women's and children's hosiery. The Company has recently commenced to operate certain of its underwear and hosiery machinery in leased premises at Richmond, Quebec.

Among trade marks used for the identification of the Company's merchandise are "Harvey-Woods", "Zimmerknit" and "Sensation". The Company is the exclusive Canadian licensee for certain patents and processes of manufacture.

The Company markets its entire output through its own sales department, which provides a national distribution among wholesale houses and department, chain and independent retail stores.

Capitalization

(Upon completion of present financing.)

	Authorized	To be presently Outstanding
First Mortgage Bonds	$2,000,000	$1,250,000(*)
7% Cumulative First Preferred Stock—$100 par value	150,000	150,000
7% Cumulative Second Preferred Stock—$100 par value	300,000	300,000
Common Stock, No Par Value	300,000 shs.	229,012 shs.

(*)—Series "A".

In the opinion of Counsel, these bonds will be a legal investment for funds of Insurance Companies registered under the Canadian and British Insurance Companies Act, 1932 (Dominion).

The above bonds are offered, if, as and when issued and received by us, subject to the approval of all legal matters on our behalf by Messrs. McMaster, Montgomery, Fleury & Company, Toronto, and by Messrs. McCarthy & McCarthy, Toronto, on behalf of the Company, who will give their opinion as to the Company's titles to the specifically mortgaged premises.

Price: 100.00 plus accrued interest, yielding 2.50% to 4.00%

It is expected that bonds in the form of Trustee's Interim Certificates or Receipts will be available for delivery on or about March 15, 1944.

HARRISON & COMPANY
LIMITED
66 KING STREET WEST, TORONTO
Telephone: WAVERLEY 1891

The Statements contained herein are based upon information we believe to be reliable, but are not to be construed as representations by us.

THE CHALLENGE TO ADVANCE MUST BE MET

Talk Your Problem Over with

ONTARIO RESEARCH FOUNDATION

43 QUEEN'S PARK, TORONTO

Banking Group Plan Covers Montreal Debt

Will Underwrite $55 Millions and Consolidate Long-term Debt

From Our Own Correspondent

MONTREAL. — Subject to approval of the creditors, the Quebec Municipal Commission and the Quebec Legislature, the City of Montreal has accepted the proposal of a syndicate of banking and bond houses designed to re-establish the city's credit to clear up matured but unpaid obligations.

The syndicate has undertaken to underwrite a $55.9 million bond issue to meet bank loans and past due bonds.

Remainder of the $228 millions net debt is to bear contract rates to present maturity, after which 3¼% to 3¾% will be payable and maturities will be extended from 9 to 16 years, rate and term varying with the individual issue.

The City of Montreal thus cuts down all its past due bonds and bank loans and decreases the number of its creditors.

The plan, designed to become effective on May 1, 1944, envisions an outstanding net debt of the city at that date of $228.1 millions, made up as follows:

7% permanent stock ....$	378,700
3% permanent stock	6,842,056
Bank loans	15,000,000
Debentures, etc. maturing on or before May 15/44	40,964,964
Debentures, etc. maturing after May 15/44	164,958,555
	$228,144,275

Cancel S.F. Bonds

Approximately $51 millions of additional bonds now held in the city's sinking and working capital funds will be cancelled.

This debt bears interest at from 2¼% to 7%. While all interest payments have been currently met, the city has been unable to meet its principal maturities as they have fallen due and over 75% of the entire debt is either past due or will fall due in the next 10 years.

To meet these payments would require well over $20 millions annually or about 50% of the city's gross revenues. To permit the city to function, not over $15 millions can safely be devoted to annual debt service requirements, it is believed.

Provisions of Plan

Provisions of the plan provide:

(1) Holders of the $378,700 of 7% permanent stock will be paid 140% of the face value interest accrued on the date which shall be fixed for the exchange of other securities under the plan.

(2) Holders of the $6,842,056 of the 3% permanent stock will not be affected by the plan.

Refinance Debt Balance

The balance of the debt to be refinanced will be as follows:

Bank loans & obligations matured or maturing on or before May 15/44 ....$	55,964,964
Obligations maturing after May 15/44	164,958,555
	220,923,518

Issue One Loan

The above will be refinanced by "1944 Refunding Issue" amounting to $220,923,518, dated May 1, 1944 and maturing serially on Nov. 1 each year from 1944 to 1975.

With the proceeds of the refunding issue, the city will refinance the outstanding indebtedness as follows:

The earliest maturities (1944 to 1946) to the extent of $15 millions will refinance the bank loans;

The next maturities (1946 to 1953) to the extent of $40,964,964 will refinance obligations maturing on or before May 15, 1944 and the allocation of new maturities will follow the same relative order as the new existing maturities of the old bonds;

The next maturities (1953 to 1975) to the extent of $164,958,554 will refinance the obligations maturing after May 15, 1944.

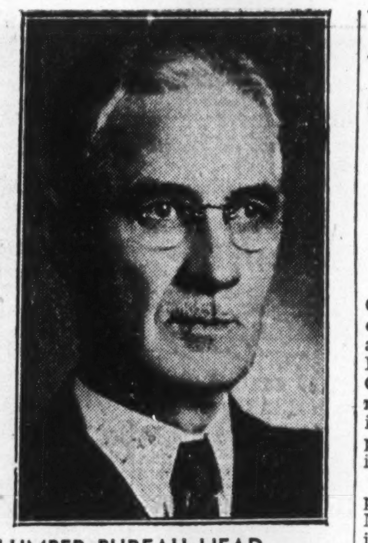
Benefits of Plan

In setting out the benefits of the plan, the syndicate says the following will result:

Autonomy of the city will be restored.

Existing default will be cured and Montreal bonds become legal investments for insurance companies.

All deficits in the general fund will be eliminated and the city will have a clean balance sheet.



LUMBER BUREAU HEAD

J. L. Macfarlane, Toronto, president of Canadian General Lumber Co., has been named chairman for 1944 of the Canadian Lumber Distributors' Bureau; also is on the Canadian Lumbermen's Association directorate.

MLHP Rebuts Godbout Claim

Says Government Policy Lacks Public Support; Suggests Vote on Issue

From Our Own Correspondent

MONTREAL. — Challenging the Godbout Government to carry the expropriation issue to the electorate, John S. Norris, president of Montreal Light, Heat & Power Cons., told shareholders at the annual meeting that Premier Godbout is mistaken when he asserts the people of the province support him in this policy

Failure of the Government to appeal to the electorate on this issue, Mr. Norris continued, suggests that in official quarters exists the fear that neither the policy nor the method are in accord with the public will.

"We realize," said Mr. Norris, "that the power of expropriation of this company rests with the Government, but, in the final analysis, the people of Montreal and the other 47 municipalities will have to meet the tax losses and suffer or benefit from the rates in service under expropriation, so why shouldn't they be given a chance to vote on the question, or is it possible that Montreal and these other municipalities are to be made the milch cow for the rest of the province?"

Hiram Walker To Build Elevator

From Our Own Correspondent

WINDSOR. — Immediate construction of a public terminal elevator at a cost of almost $1 million was announced here by Hiram Walker & Sons, Ltd. The new grain elevator will be capable of storing 1.3 million bushels and was necessitated by expanded business.

It is expected to be completed about Nov. 1. The elevator will be operated by Hiram Walker & Sons Grain Corp. Ltd. Construction is undertaken by Piggot Construction Co. Ltd., Hamilton, from design by C. D. Howe & Co. Ltd., Port Arthur.

The new elevator will be able to load lake boats at approximately 30,000 bu. an hour. Capable of handling the largest lake steamers, it will have a frontage of 300 ft. on the Detroit river immediately west of the Hiram Walker & Sons distillery.

Set Stadacona Hearing Mar. 1

Will Hear Vincent Plan to Take Mine Out of Liquidation

Court hearing for the Vincent plan for taking Stadacona Rouyn Mines out of liquidation has been set for March 1 in the Superior Court of the District of Montreal. Petitioners for this and other matters outlined below are Walter Parry, trade creditor for $683, Wm. T. Short, holder of $2,000 of Stadacona notes, M. R. Mulligan, an ordinary creditor for $178,122 and Simon C. Labarge, holder of 1,320 shares.

In the petition to the court, notice of which was served on Liquidator George Duclos last week, it is stated that at a meeting between Mr. Norman Vincent and the liquidator and inspectors in bankruptcy, on Feb. 2, a proposal to settle all liabilities was submitted by Mr. Vincent and that the impression was left with Mr. Vincent that if the proposal was amended to give a guarantee of payment the proposal would be submitted by the liquidator to the court.

Claims Delay in Settling

The petition further claims that after Mr. Vincent offered, as requested, to provide a performance bond to guarantee his ability to go through with his proposal, the inspectors refused to submit his offer to the court. It is further charged, in the petition, that since the liquidation started four years ago, there are large claims which could have been settled on reasonable terms and that there are two cases in the court of appeals which have been pending for some time and that the liquidator is doing nothing toward settling these claims and bringing these cases to a final decision.

Ask Court For These

The petitioners ask the court to do the following:

1. Order the liquidator to prepare an actual statement of the affairs of the company in liquidation and of his fees and disbursements.

2. Instruct the liquidator to make a distribution by way of dividends or otherwise of money, bonds and bullion on hand, among all creditors and noteholders whose claims are admitted and as they become admitted or settled .

3. Order the provision of an up-to-date list of shareholders with the petitioners to pay the cost.

4. Order the liquidator and inspector to accept the offer of Norman Vincent and, if the court considers that it is necessary to submit it to shareholders, that a meeting be held to consider the offer and that the liquidator be discharged

5. That the property be turned over by the liquidator to the company or the new company to be formed.

The March 1 hearing will be the second hearing to be held recently in connection with ending the liquidation. George Duclos, the liquidator, presented the Paul Ranger plan in court on Jan. 19, but the court did not see fit to grant its approval.

VICTORY LOAN BONDS

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

CANADIAN MUNICIPAL AND CORPORATION SECURITIES

F. H. DEACON & CO.
Business Established 1897
Members Toronto Stock Exchange
197 BAY STREET PHONE ELGIN 3401

Dealers in Government, Municipal and Corporation Bonds

Milner, Ross & Co.
Members The Toronto Stock Exchange
TORONTO
Hamilton Brampton

Directors of Canadian Celanese Ltd. have declared a participating dividend of 53c. a share on preferred, in addition to the regular quarterly dividend of $1.75 a share, both payable March 31 to holders of record March 13. Last year the participating dividend totalled 94c. a share.

72nd Annual Financial Statement

Balance Sheet as at December 31st, 1943

ASSETS		LIABILITIES	
Book Value of Real Estate owned or held for sale ....$	39,677.37	Total provision for unpaid claims ....$	170,883.74
Mortgage Loans on Real Estate, first liens	775,788.36	Total net reserve carried out at 80%	503,522.91
Agreements for Sale	5,319.46	Reserve and unpaid claims under unlicensed reinsurance unsecured	13,645.06
Book Value of Bonds and Debentures owned	2,288,695.46	Agency and other expenses, due and accrued	8,203.51
Book Value of Stocks owned	205,177.32	Taxes due and accrued	29,062.98
Cash on hand and in banks ..	73,328.63	Reinsurance balances	28,538.94
Interest and Dividends due and accrued	27,986.63	Reserve for loss on investments	50,000.00
Agents' balances written on or after October 1, 1943	134,300.42	Reserve for return of premiums	3,398.39
Amount due from reinsurance on losses already paid	30,062.49		$ 807,255.53
Accounts Receivable	3,158.24	Surplus for protection of policyholders	2,776,238.85
	$3,583,494.38		$3,583,494.38

ASSETS IN 1933: $1,896,510.68 — IN 1943: $3,583,494.38

"The insuring public has had the benefit of substantial rate reductions during the past 10 years. For example, a city brick dwelling insured for $3,000 against fire and windstorm — in 1933 would have cost $18 for 3 years. In 1943, the cost was $12 for the same 3-year coverage — PLUS supplementary protection against loss from lightning, explosion, riot, impact by aircraft or vehicle, smoke damage and water escape from plumbing."

From the Address of HENRY KNELL, President.

THE ECONOMICAL MUTUAL
FIRE INSURANCE COMPANY
Henry Knell, *President* F. W. Snyder, *Managing Director*
HEAD OFFICE: KITCHENER, ONTARIO

1893 1943

THE EASTERN TRUST COMPANY
FIFTY-FIRST ANNUAL STATEMENT

Net earnings after providing for expenses of management, directors' fees, etc., amounted to $142,671.64. This compares with $141,740.78 for the previous year. After providing for the usual dividend of 8%, and for depreciation and taxes, a favourable balance of $27,503.47 was carried forward in Profit and Loss Account. During the year, Assets under Administration increased by $5,839,547.34 to $72,486,048.03, which is the highest point in the Company's history.

HEAD OFFICE
Halifax, N.S.

BRANCHES
Saint John, N.B.
John Gillis, manager
Moncton, N.B.
James J. Fay, manager
Charlottetown, P.E.I.
Alex Knox, manager
St. John's, Nfld.
P. B. Rendell, manager
Montreal
C. N. Bissett, manager
Toronto
E. E. Meadows, manager

ASSETS		
Capital Account:		
Office Premises and Vaults	$	80,000.00
Dominion, Provincial and other Bonds		500,771.69
Stocks		90,627.50
Loans on Stocks and Bonds		45,428.20
Mortgages		497,773.80
Accrued Interest on Mortgages and Bonds		8,316.33
Real Estate held for Sale..		24,726.70
Advances to Estates, Trusts, Agencies		147,001.64
Cash in Bank and on hand		68,317.73
	$	1,462,317.59
Guaranteed Investment Account:		
Dominion, Provincial, Municipal and other Bonds		5,455,828.04
Mortgages		1,368,515,96
Loans on Stocks and Bonds		844,320.33
Accrued Interest on Mortgages and Bonds		27,609.97
Cash in Bank and on Hand		28,725.52
	$	7,724,999.82
Estates, Trusts and Agencies:		
Investments and Assets held		$62,004,236.34
Cash in Bank and on Hand		1,293,848.28
		$63,298,084.62
		$72,486,048.03
LIABILITIES		
Capital Account:		
Capital Paid Up	$	1,000,000.00
Reserve Fund		350,000.00
Profit and Loss Account ..		27,503.47
Provision against Liability for Taxes		65,460.12
Dividend No. 171 due January 3, 1944		20,000.00
	$	1,462,963.59
Guaranteed Investments		7,724,999.82
Estates, Trusts, Agencies		63,298,084.62
		$72,486,048.03

PRESIDENT
Hon. F. B. McCurdy, P.C.

GENERAL MANAGER
F. H. M. Jones, Esq.

Windsor Debt Plan Up in Air

Seek Permission of City to Submit Proposals to Bondholders

From Our Own Correspondent

WINDSOR.—City council here is to be asked to authorize the special committee on refinancing to submit proposals to representatives of the bondholders for reorganizing Windsor's municipal debt structure, Mayor Arthur J. Reaume announced.

Report on the city's financial position is now being prepared. Lorne R. Cumming, city solicitor, and chairman of the special committee, said.

Minus Chairman

The board of sinking fund trustees is without a chairman. Hon. L. M. Frost, provincial treasurer, is being urged to make an early appointment. D. M. Brodie was the province's representative on the board until Dec. 31, 1943. The province's representative is automatically chairman of the board.

The board has for this reason been temporarily out of the market for Windsor bonds since Jan. 1, 1944.

Unlisted Indust'ls. Continue Upward

The unlisted industrials, with a few exceptions, continued to advance during the past week, state Plaxton, McDonnell & Co.

Brown Co. pref. gained ½ at 36½ to 38½.

Burns A showed a similar gain at 11¾ to 12½.

Burns B was quoted at 7¾ to 8½.

Canadian Industries B lost 1 point at 150 to 152.

Canadian Westinghouse gained 1 point, closing 53 bid.

Colonial Steamships common advanced 4 points at 69 to 72½.

Empire Life 25% paid gained 1 point at 11 bid.

Minn. & Ont. Paper common lost ⅜, closing 10⅝ to 11.

Waterloo Mfg. up ¼ at 6 to 7.

WINDSOR MAKES ALL KINDS OF WAR MUNITIONS

Seventy-five different war products from huge field artillery tractors and universal carriers, to machine gun tracer bullets are produced in Windsor by thousands of men and women who on the average, are the highest paid* workers in Canada.

Outstanding in every way is this City of Windsor—outstanding in war production, outstanding in enlistments; outstanding in Victory Bond and War Savings Stamps and Certificate purchases; outstanding in all patriotic drives.

Listed here are some of Windsor's war products:

VEHICLES
Field Artillery Gun Tractors
Universal Carriers (several types)
15 cwt., 4 by 4 trucks*
30 cwt., 4 by 4 trucks*
3 ton, 4 by 4 trucks*
Motor Lorries*
* Four-wheel Drives
6-Wheel Workshop Lorries
Welding Unit Service Trucks
Wireless Unit Service Trucks
Crash Tenders
Ambulances
Combat Units
Refueling Tenders
Station Wagons
Buses
Flare Path Trucks for Airfields
Bomb Loaders
Water Purifier Trucks

AIRPLANE PARTS
WHEELS FOR—Lancaster Bombers, Mosquito and Moth Fighters, Bolingbroke Coastal Patrol Bombers, Anson Trainers, Harvard Trainers, Cornell and Finch Trainers, Curtis Dive Bombers, P.B.Y. Amphibians, Hurricane Fighters, Fairy Battle Trainers, Lysander Trainers, Hampden Bombers.
Parts for Under-Carriages of many types of planes.
Pilot Seat parts for Anson Bombers
Ply Wood Parts for Mosquito Bombers
Fibre Wood Parts for Lancaster Bombers
Hydraulic Appliances, Struts and Pumps for Mosquito Bombers.
Precision parts for all types of engines
Tubes, brackets and other parts for Fairy Trainers.
Angle strips and tank straps for Anson Trainers.
Forgings for all types of planes
Drills, tools, furnaces for workshops
Rubber ear pieces and tubing for air crew communication.
Chrome and other plating for Anson Trainers
Starting mechanism for types of engines
Cylinder barrels for Anson Trainer engines.

ARMS AND AMMUNITION
Browning Machine Guns
25-Pounder Shell Casings
75 MM Shell Casings
Six-pounder Shell Casings
57 MM Shell Casings
40 MM Tracer Bullets
Parts for Six-pounder Guns
Shell Boxes
Land Mines

WAR CHEMICALS
Rust-remover and prevention chemicals
Nitric acid
Decontamination chemical
Many secret formula chemicals

ROYAL CANADIAN NAVY
Harbor Tug Boats
Auxiliary Tankers
Marine engines for Corvettes and other naval craft.
Gun sights
Medical supplies
Ammunition
Service for telegraph equipment

MISCELLANEOUS
Special motors for generating units, balloon hoists, lighting units, etc.
Buttons and clasps for uniforms and equipment.
Clothing
Tarpaulins
Kit bags and other types of service bags
Cartridge belts
Gas instruction cases
Electrical assemblies for all types of vehicles and tanks.
Steel helmets
Vitamin pills and concentrated foods
Spark plugs for all types of motors and engines.
Bedding
Web equipment
Steel fabrications
Paints and varnishes
Searchlights
War alcohol for explosives and other uses

The Windsor Daily Star
WINDSOR ONTARIO CANADA
NET PAID AVERAGE CIRCULATION
OVER 57,000 DAILY

*Windsor's per capita industrial wage at Dec. 1, 1943 was $42.48 a week . . . $8.44 per week higher than Vancouver, next Canadian city.

The Editorial Page . .

Farm Conveniences

Farmers are the backbone of Canada's economic life and their troubles hurt every Canadian.

Keeping the young men and women with brains and energy in the business of farming is, therefore, a key Canadian problem. One factor which would undoubtedly help to reverse the nationally dangerous trend from farm to city of many ambitious and energetic farm youth would undoubtedly be better living and working conditions, such as would be provided by electric power, running water and their complements, of furnaces, flush toilets, bathtubs, sinks and the other conveniences which city dwellers take for granted.

On Canada's farms 83% of the dwellings are of wooden construction.

Only 12% of our farm homes have hot air furnaces.

Only 20% have electric lighting; 7.3% have a bathtub.

There is a refrigerator in 22.2%; and only one farm home in 25 has mechanical refrigeration which we find in nearly a third of the urban homes.

There is an automobile on only 43.7% of our farms and a telephone in 29.2%.

Only one farm home out of 25 has an electric vacuum cleaner.

Every Canadian has a vital interest in converting this potential market into an actual market, for economic reasons, and particularly for social reasons.

Fortunately rural electrification is likely to make enormous strides during the postwar period. Real farm purchasing power has practically doubled since the depression level of 1933. Our measure of success in maintaining reasonably high levels of farm purchasing power will be of enormous significance in shaping the Canada of tomorrow.

No Insurance Monopoly

Victor R. Smith, general manager, Confederation Life Association, has given a pungent answer to those who charge that life insurance is a monopoly.

If anyone thinks there is a monopoly, let him make it known that he is in the market to buy a policy and see what happens. He will be besieged from every direction and, says Mr. Smith, his mind will literally be awhirl as he proceeds to make his choice among the wide variety of policy contracts with varying premium rates and benefits offered for his selection by the many and varied insurance organizations.

Mr. Smith points out that the customer may get his insurance through a Canadian, British or American company. He may choose a stock company or a mutual company, or a stock company doing both kinds of business. Or he may buy from a variety of fraternal organizations. The Canadian field is free and open without any tariff wall. "Any life company may enter Canada to do business without being subject to any discrimination In fact, a foreign company may do business in Canada and yet in peacetime never invest a dollar in Canadian securities."

"No Canadian life insurance company, nor any group of them, enjoys any exclusive right or privilege to do business, nor do they enjoy any special advantage by reason of being Canadian, as all British and American companies doing business here will readily certify. At the present time there are 47 Canadian, British and United States life companies authorized to do business in Canada and in addition there are 42 fraternal organizations. Each one is financially independent of the other. Instead of a monopoly there is the keenest competition among them to secure business."

How is Our Plane Output?

Canadian Aviation (MacLean Publishing Co. Ltd.) declares editorially that Parliament will likely be hearing some searching and pointed questions asked about Canada's airplane production.

The public has been led to expect very great things and very rapidly by very optimistic official statements and prognostications. At the same time the public has heard many disquieting rumors that the aircraft program is falling short of the big program assigned it.

In fairness to the Canadian people, to the aircraft firms and their workers, a frank statement should be forthcoming.

Says Canadian Aviation:

"How close are producers of combat planes coming to achieving the output expected of them?

"There will be difficulties in answering that question, for it is certain that some plants are falling far short of what the public has expected of them on the strength of optimistic government announcements, yet they may be doing all right in terms of new, 'realistic' and secretly revised schedules."

Midsummer, 1943, Hon. C. D. Howe said, "We hope to get production of five Mosquito planes a day or 150 a month."

Canadian Aviation asks: "Has there ever been a time when the slightest hope existed of realizing that forecast? If not and if a new, much lower schedule has superseded Mr. Howe's optimistic one, is it a reasonable schedule in which Canada can take pride and is it being met?"

"And don't these questions indicate where the fault lies if there is a confusion and misunderstanding now regarding the status of the Mosquito program?"

The Financial Post's Platform for Canada

1. *All manpower and resources, efficiently used, wherever needed, to win the war.*
2. *Pay-as-we-go policy, to the utmost possible limit, to avert inflation.*
3. *Elimination of wasteful spending by public bodies or private individuals.*
4. *Planning NOW for postwar, by government and business, to ensure fullest employment and improve social standards through individual initiative and competitive enterprise.*
5. *Orderly and economically sound disposal of surplus war stocks, plant, machinery, etc.*
6. *Planned and orderly demobilization of armed forces and war workers so they may be reinstated in productive civilian life with minimum dislocation.*

   Generous treatment for incapacitated fighting men, to ensure their rehabilitation and reward their sacrifices.

Young Man's War

"We don't know how our readers feel about it, but to us it is getting just a trifle tiresome listening to the continual harping on the theme that this is a 'young man's war.'"

So says the Canadian Legionary commencing an article designed to show that all this "young man's war" and "increased strain" business is a myth.

The Canadian Legionary then assembles some facts comparing this war with the last.

Here is the list it gives of 10 high-ranking British, American, Australian and Canadian generals holding command in this war and a similar list of commanders in the 1914-1918 conflict. In each case the age given is that attained in the year in which the appointment was made.

Present War		Last War	
Alexander	51	Haig	54
Brooke	58	Wilson	54
Anderson	55	Horne	55
Montgomery	55	Plumer	58
Maitland Wilson	60	Byng	54
Quinan	58	Rawlinson	51
Eisenhower	52	Birdwood	53
MacArthur	62	Allenby	54
Blamey	58	Milne	51
McNaughton	55	Currie	42
Average age 56.4	564	Average age 52.6	526

In the Last War group only one general was over 55 while none were 55 and under. In the Present War group, only two are under 55.

Here are the ages when appointed of some of the general officers in the old Canadian Corps: Lieut. Gen. Sir Richard Turner, V.C., 44; Major Gen. L. J. Lipsett, 42; Brig. Generals A. G. L McNaughton 31; T. L. Tremblay, 32; J. A. Clark, 32; D. M. Ormond, 33; L. G. F. Brooke, 33; Garnett B. Hughes, 35; W. B. Lindsay, 36; V. W. Odlum, 36. And speaking of brigadier generals, the British Army had one who was only 24. He was Gen. Bradford, V.C.

Economies That Will Last

In some respects, wartime pressures are likely to have good long-term results.

S. C. McEvenue, general manager of the Canada Life Assurance Co. has reported that much has been accomplished by the Wartime Economy Board and the Planning Committee. Nearly 100 improvements, simplifications, and mechanizations in the company's operating routines were inaugurated. Mr. McEvenue cited as an example an entirely new routine for notifying policyholders of premiums, loan interest and dividends payable, and for handling collections. By making use of the most modern type of business machines, he said, the company has been able to effect economies not thought possible.

The important point about these changes is that the company operates more efficiently and at the same time, service to the public is just as good as ever.

It is that other kind of streamlining, the kind of restrictions and simplification which result in lessened service to the public that should be doomed to disappearance after the war.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

A French-Canadian Talks to Young French-Canadians

J. Edouard Simard is vice-president of Marine and Sorel Industries Ltd. and an outstanding French-Canadian businessman. His recent address to the Junior Chamber of Commerce of Montreal was a sensationally blunt and forceful message to the young men of Quebec. Herewith a digest of some of the more important passages of that speech.

The English language is necessary for the tradesman who has the ambition to forge ahead and become group leader, foreman, superintendent, and go still farther. I would say it is necessary even for the laborer. Let us not forget that we are here a minority of three million people living on a continent inhabited by 150 million people who for the greater part, speak English only and with whom we must live and trade.

Anyone starting his career at 16 or 18, and obligated to learn English while learning his trade, has about as much chance to make good as the horse who enters a race with two jockeys on his back. The bilingual tradesman will climb, according to his ability and qualifications, all the steps in the ladder of industry up to the sperintendency and managership while the one who speaks only French, although often intelligent and ambitious, will remain at the bottom.

Let us learn English in order that we might be better equipped to defend our rights. Let us learn English, not at an age when we are sure never to learn it well, not just half an hour per week, not in medicine-dropper doses, but let us learn it early in life and fluently.

Tomorrow, in this province, every man who will have a good knowledge of the two languages will be worth two men, whereas the man who can speak only French will be worth but half a man.

The spirit of co-operation should be taught to our young people. We do not seem to bother to develop in our people this spirit of co-operation, this solidarity which is one of the finest qualities of our Anglo-Saxon compatriots. There would seem to exist between them a certain rivalry but you will note that whenever one of them is forging ahead and climbing towards success, his confreres seem naturally inclined to assist him; on the contrary, if one of our own people seems to climb too fast, our first thought is to put a ceiling over him so that he may not rise above the common level.

In order to correct our inferiority complex would there not be place in our educational system for a program which would develop self-confidence, a spirit of collaboration and solidarity?

Let us work towards making our Canada a united country. Let us be Canadians in the true sense of the word. Let us realize that the future of the province of Quebec is bound up with the future of Canada.

We must unceasingly strive to better our relationship with our English-speaking partners. We must attempt to destroy the prejudices which have been permitted to exist in our reasoning if we really desire to give our people all the opportunities and advantages that they require to achieve that end.

We need an educational system based on broader lines and a type of education which will enable us to see the qualities of our brother Canadians, regardless of their racial origin.

Let us cease to dig into the past and to continually give importance to events which have taken place one or two centuries ago, such as the banishment of the Acadians, used for generations as a scare-crow. We all belong today to a great and proud family: the Canadian family. The past and history have their rightful place but let us think of the present, let us think of the future and, above all, if there still remains something to be forgiven, let us forget about it and start anew.

Other People's Views . . . . .

The Canadian Editorial of the Week

More About Cartels

Ottawa Journal

A Washington dispatch tells of a United States Senate subcommittee in a terrific indictment of international cartels, charging that through them strategic military information about Allied industry fell into German hands.

International cartels definitely are an evil, and if in the postwar we are to establish anything like the "brave new world" that so many are expecting governments will have to deal with them.

Cartels, incidentally, are the harvest of public lethargy about its own affairs. Political democracy has not kept pace with economic advance, with the direct consequence that certain high-pressure groups have been able to project themselves over the heads of the people, making contracts with governments and parliaments and bringing about special and group legislation for their own benefit. The "man in the street" simply remains unaware that certain vast industrial organizations, their directors sitting in Berlin, or Paris, or Rome, or Amsterdam or London, parcel out territories among themselves, determine prices, and limit production—all for their own gain. There are Canadian producers who, compelled to buy the products of these cartels, know all about the technique—and what it means to consumers.

Defense of "free enterprise" doesn't, and shouldn't, mean defense of such wrong. On the contrary, free enterprise can only be defended in determination to end such wrong.

As Others See Us . .

Stock Racket Needs Clean Up

Picton Gazette

In spite of the shortage of paper, there go through the mail daily, thousands of circulars from brokers and others of Toronto soliciting enquiries from citizens of all degrees of financial standing in respect of mining prospects and operating mines.

Unfortunately, prospecting syndicates have in some cases developed into stock selling schemes, escaping the watchful eyes of the Ontario Securities Commission.

The Financial Post has investigated some of these and finds that there are among the organizers of these syndicates some who have shady records.

In case you receive a circular with an enclosed envelope which does not require you to place postage on it, asking you to mail the enclosed coupon for information, you are advised to pay no attention to the communication.

* * *

Ware the Wild-catters

Ottawa Journal

(Commenting on the warning of Graham Towers, Governor, The Bank of Canada, against stock racketeering, The Ottawa Journal said:)

Legislation to deal with all the cunning of fly-by-night promoters may not be easy, but it should at least be possible to make a criminal offence of the practice of certain people in Toronto using the long-distance telephone to call women in their homes at all points in the province to try to sell them their dubious ventures. This practice has grown greatly of late, with Ottawa a point of concentration, and we think it could and should be stopped. Even risk enterprise cannot much benefit from that sort of thing; its result, very often, is the precise opposite.

* * *

Mining Stock Racketeers

The Weekly Monitor, Bridgetown, N.S.

The Financial Post is performing a most meritorious work in calling attention to the operations of stock racketeers whose centre of action is from Toronto . . . They have operated here to some extent and the result of their efforts may be likened to a South Sea Bubble of years ago. The present appears to the phony artists as a very favorable time to reap a harvest from unwary people.

The Financial Post has done a splendid piece of work in calling attention to the mining stock crooks and letting the light into their nefarious operations.

* * *

Childish Policy

Daily Standard-Freeholder, Cornwall

The Ontario Securities Commission is making greater emphasis on restitution in connection with the present wave of stock racketeering than in the prosecution of those who are guilty.

If a salesman is found guilty of having high-pressured a victim into buying a highly speculative stock and is made to refund the purchase price he should lose his license and be prosecuted by the authorities. The present policy of "restitution, not prosecution" serves to protect the racketeer, not the public. The Ontario Government should step in and reorganize the Commission if it cannot put its operations on a sound basis.

What The Papers Are Saying . . . .

Discouraging Thrift and Foresight

The Halifax Chronicle

Despite the fact that an annuity, whether purchased from the Government or from some other source, represents nothing more than an insurance against outliving one's accumulated savings, those savings as they are returned to the annuitant are taxed as if they were income, when in fact they are almost entirely capital.

Consider the case of a woman widowed at 55 left with $18,000 in cash, proceeds of her husband's life insurance policies. She may buy an annuity with the entire amount and receive about $100 a month as long as she lives.

If she does so, on the present basis of taxation, she is obliged to pay out $246 each year in income tax (including refundable tax), a sum equal to her income for almost two and a half months.

If she puts her money into Government bonds and lives on the interest plus enough capital to produce $100 a month she will be money in pocket—provided, of course, that she does not live too long. Her actual "income" will be less than $540 in the first year, diminishing year by year, so that no tax is payable. But, after about 20 years she will have used her entire capital and will be destitute. Hers is a choice between gambling on how long she will live and running the risk of destitution, or facing the prospect of seeing about one-fifth of her $18,000 going to the tax collector simply because it becomes "income" when she buys an annuity and receives it back in regular installments.

To levy a straight income tax on all annuity payments is not only unjust, but tends to discourage people from thus protecting themselves against the economic hazards of old age. To thus discourage thrift and foresight is both unwise and economically unsound.

* * *

Sayings of the Week

"Competitive force is the greatest force in the world—the only force that is creative."—*Henry J. Kaiser.*

* * *

"This country can fuel all the people some of the time and fuel some of the people all of the time, but during war we can't fuel all the people all the time."—*Harold L. Ickes.*

* * *

"We here in North America have suffered from the operation of certain cartels in the past; suffered not only in a military way, but in the higher prices we have paid as consumers . . . In the future we must take common measures . . . to protect our security."—*Hon. Ray Atherton, American Ambassador to Canada.*

* * *

Stop Me If . . . . .

"Here's a bottle of hair tonic, dear," said his wife.

"Oh, that's very nice of you, darling."

"Yes, I want you to give it to your stenographer, her hair is coming out rather badly on your coat."

Cartoon by Grassick.

Post-Scripts . .

Businessman's Professor

Earle Francis Beach, director of McGill University's School of Commerce, belongs to that growing group who seek and work for a closer intimacy between businessmen and university teachers and which includes many of the most farsighted leaders in both fields.

—Photo by Karsh.
PROFESSOR BEACH

That Francis Beach should belong to this school is something of a paradox, since his earlier achievements, as an undergraduate at Queen's University, were in that field of economics which is perhaps the most widely divorced from the world of business. In those days, Beach made a name for himself in the type of economic theory which uses highly complicated mathematical formulae in studying the problems of monopoly and competition.

Since those early days, Professor Beach has emerged from the world of pure theory. Taking his doctor's degree at the Harvard School of Business Administration, Beach went on to teach at the Massachusetts Institute of Technology, later to lecture at the College of the City of New York, and finally to his professorship at McGill in 1940. Still in his early thirties, he is one of the youngest men to head up a major department at McGill.

His training, experience and the fact that he spent his youth in the thrifty farming district of the Niagara Peninsula have endowed Francis Beach with an attitude of mind that is practical but not narrow, theoretical but not visionary.

In 1942, when he headed the summer course for personnel administrators at McGill, he had one opportunity to employ these talents on behalf of the business community. The personnel course to which industry and particularly war industry, sent some of its most valued employees, is an example of the type of co-operation between the halls of learning and of business which Mr. Beach is anxious to see develop into a still broader partnership.

He feels that the success of this course, for which he refuses to take any personal credit, is proof positive of the ability of business and economics to help each other, and a sure sign that both groups are headed in that direction.

* * *

Investor-Actuary

Tall, young, good-looking, Harry Luke Guy, newly appointed assistant general manager and treasurer of the Mutual Life Assurance Co. of Canada has followed the familiar upward pathway for the insurance business via the actuarial branch.

MR. GUY

His interest in insurance dates back to school days. Born in Oshawa, Ont., he attended Oakwood Collegiate in Toronto and one summer got a job with the Canada Life. This gave him a bent toward the business and he went to the University of Toronto to take an honor mathematics course. Vacations were also spent with the Canada Life where he was regarded as one of the most promising youngsters on their staff.

Graduating in 1925 he joined the National Life, and two years later went to the actuarial department of the Mutual. A year later he was made assistant actuary, becoming associate actuary in 1929 and treasurer of the company in 1930. As treasurer, his work has been mainly with the company investments. He is a Fellow of the Actuarial Society of America.

For a year and a half he served with George W. Spinney as an assistant chairman of the National War Finance Committee. He has been joint chairman of the War Savings Committee for Kitchener and Waterloo since its inception and on his return from Ottawa became joint chairman of the National War Finance Committee for North Waterloo which position he now holds.

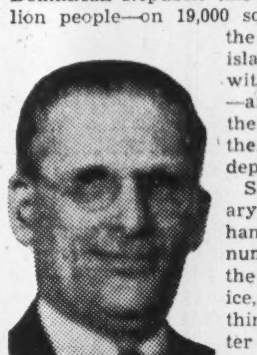
Apart from his business interests Guy devotes his attention to his family, golf, at which he is pretty good, the Sea Cadets, in which he is an officer, and curling. He is also a director of the Westmount Golf and Country Club.

He married Margaret Wood, daughter of G. M. Wood of Rochester, N.Y. and they have two sons.

* * *

Celebration

In homes, schools and churches of the Dominican Republic this week 1½ million people—on 19,000 square miles of the Caribbean island they share with the Haitians—are celebrating the centennial of their national Independence.



MR. GARCIA

Sunday February 27, for the handful of their number abroad in the consular service, will be something of a red letter day in nostalgia as well. But these will hold fiesta too in a few cities of the neighbor north where Latin American representatives form compact little groups.

Figurehead of quiet observances in Toronto is Juan Ulises Garcia whose native city is Santiago de los Caballeros, who grew up there in a family of eight and who there raised eight sons and daughters.

Engineer, teacher and journalist—his father taught high school at Santiago for 45 years—Mr. Garcia is 46. He graduated in 1927 with a science and letters degree from the University of Santo Domingo, oldest in the Americas; describes his course as covering engineering, highways and bridges and says the degree made him "more than a construction engineer and less than a civil engineer."

Having worked in the national archives bureau during college days Mr. Garcia gravitated at once to government service as an inspector of land conservation measures and in 1929 became assistant inspector of the national irrigation service, occupying that post 12 years. He moved up again in 1941 as general inspector of national properties, department of finance and commerce.

Mr. Garcia returned to land conservation only a few months later but this time as chief engineer of the Republic's irrigation service in the department of agriculture. The consular appointment came two years ago this month and Mr. Garcia spent most of his time en route studying English. He is getting along with it famously now.

Sons of Juan Garcia and Melania Faleta Garcia are headed for science too. There is Jose, 24, chief irrigation engineer in the Dominican province of Azua, Manuel, 22, continuing industrial chemistry studies by working at rubber molding at the Seiberling Toronto plant, and three younger with similar leanings. Eldest of the Garcia daughters, Criseida, 19, is brushing up her English; soon will journey to Toronto to join her parents.

Canadian winters bring no complaint from Mr. Garcia but he regrets he must travel so far from his present base to find mountains to climb. Becoming enthusiastic and intent when his country is mentioned Mr. Garcia tells of progress there in education, health, works and trade; of the Republic's status as a democracy and the enthusiasm of the people for the Pan-American idea and the U. S. good neighbor policy.

He is proud especially of gains made in the capital city of 75,000 in the 14 years since a hurricane levelled it with 15,000 casualties. Santo Domingo, settled 450 years ago by Christopher Columbus whose bones rest in its cathedral, now is a brand new and progressive metropolis. And Mr. Garcia is surprised if his visitor has forgotten its name was changed in 1935 to Ciudad Trujillo. This, he explains, was to honor Dr. Rafael L. Trujillo Molina, present President of the Republic, who was confronted with the disaster the moment he assumed office in 1930 and whose energy and success in meeting it, then and since, Mr. Garcia calls heroic.

* * *

The Mail-box . .

Don't Slow Sales

Many excellent ideas and plans have been prepared or suggested for the postwar period, but I would like to know if anybody has come out flatly in favor of the abolition of most of the excise taxes on the durable type goods, at least.

The greatest pre-occupation of business and government seems to be to keep "men at work," and it would seem that prospects will be more interested in buying an article at $1 than $1 plus 25% tax; on automobiles this tax is 25, 40 and even 80%, which just aggravates the problem. Now, people are aware that these taxes exist, and when they feel that goods are again being produced, sales resistance may be built up on the theory that these taxes will eventually be wiped out. The buying policy then becomes "wait and see," which certainly does not provide any employment.

In the Automobile selling industry there is the added factor of used merchandise. If a car carries a 25, 40 or 80% excise tax, the used car price is proportionate. Should these excise taxes be lopped off all of a sudden, dealers stand to lose an equivalent amount on their used car stock, and perhaps even on their new car stock.

So on the one hand you have a buying public putting off its purchase for an eventual price-reduction; on the other you have the dealer haggling for a low-trade-in value, minimum used car stocks, because of the constant fear of these losses.

If, in the forthcoming Budget, the Finance Minister announced that, on those articles which are greatly needed and likely to produce continued employment, the excise imposed as a brake on purchasing power were to be removed, even before actual production has started, this would provide a basic platform upon which sales projections could be made.

Wilfrid E. Dugal.
Chicoutimi, Que.

* * *

New Books

GREAT BRITAIN, FRANCE AND THE GERMAN PROBLEM 1918-1939 by W. M. Jordan. Oxford University Press. Price $4.50

Here is a scholarly piece of work reporting and digesting the woeful tale of the crumbling and final collapse of the ideal erected at Versailles.

The author concentrates on those problems involving the three powers named. As we now face the making of another peace, learning and understanding the lessons of history is now supremely important. Jordan's study makes a substantial contribution thereto.

The study was undertaken at request of the Royal Institute of International Affairs.

The Financial Post

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Help to Rebuild Shattered Lives

The Canadian Red Cross Needs $10 Millions For Its Works of Mercy

There is probably no organization in the world so universally recognized and so international in scope as the Canadian Red Cross Society.

Since the beginning of the war in Sept., 1939, up until Dec. 31, 1943, the Canadian Red Cross has spent approximately $36 millions to provide free gifts for members of the armed forces, prisoners of war, British and other civilian war sufferers and disaster relief emergencies.

By Free Gifts

This huge sum has been provided from the free gifts of Canadians everywhere. "Free gifts" must still finance this terrific task if it is to continue because the Geneva Conference requires that Red Cross aid be financed by voluntary public subscription and not by taxes or other forms of finance on the part of the warring nations. If the Red Cross is to reach into enemy prison camps, to be honored by friend and foe alike on the battlefield and to cross international boundaries, it must be financed by gifts and donations.

Work on the wartime scale of the Red Cross takes a lot of money. This year, more than ever, it has to cover activity on a much extended scale. For example, the Canadian Red Cross today is sending 100,000 food parcels overseas every week to supply the soldiers, sailors, airmen, civilians and men of the merchant marine of Canada and her Allies who are prisoners of war. To date, more than seven millions of these parcels have been packed by volunteer labor in Canada's five packing depots in Windsor, Toronto, Montreal, Hamilton and Winnipeg. This year the Canadian Red Cross is budgeting $5.5 millions for this one need.

Gifts Of Blood

Another phase of work becoming increasingly important is the blood donor service of the Canadian Red Cross. Dried blood serum must be on hand in sufficient quantities at the scene of all battles—land, sea, and air—in the months to come, so that every one of Canada's fighting men will have that extra chance of life if he is wounded. Surgeon Captain C. H. Best, director of the Canadian Medical Research Bureau, disclosed recently that Canadian blood was being used on the Italian battlefront to save the lives of Canadian, British and United States soldiers. Canadian blood serum was used at Dunkirk and at Dieppe; on convoys to Russia, and in the Mediterranean; in hospitals in England and wherever Canadian troops are being treated. It was used to save British civilians during the Great Blitz and no doubt has been used again for the same purpose during London's recent fire raid.

Early in 1941 the Canadian Red Cross was asked by the Dominion Government to undertake organization of blood donor clinics across Canada. The objective, at that time, was to provide 2,000 donations of blood weekly. This figure was soon met and today the almost unbelievable total of 20,000 blood donations is being received every week by the Canadian Red Cross. To handle this tenfold increase, 71 clinics, 314 subclinics and 22 mobile units are in constant operation.

For these and other services the Canadian Red Cross Society is appealing this year to Canadians for $10 millions in a nation-wide drive to be launched on Feb. 28.

Again the Red Cross is "big business." It is an auxiliary of the Department of National Defense and, as such, submits its audited statements to the Auditor-General of Canada. These statements show that from the beginning of the war to the end of 1943, the $36 millions spent by the Canadian Red Cross was divided as follows:

How Red Cross Spends $36 Millions

	%
Comforts for armed forces, navy, merchant marine, air-raid sufferers and hospital and medical supplies	32.66
Prisoners-of-war food parcels, covering cost of food and shipping	37.60
Designated purposes, including ambulances, mobile kitchens, blankets, hospital and medical supplies and food for Britain	9.40
Building and equipping hospital at Taplow, Eng.	2.31
Grants to Allied Red Cross Societies, etc.	7.34
Warehousing, packing and shipping in all divisions	3.08
Disaster and emergencies; sundry war expenditures	1.28
Campaign and publicity	2.54
Administration	3.79

The Human Side

Accurate but nonetheless cold percentages such as these might summarize the work the Canadian Red Cross is doing, but they neglect entirely the intensely human side of its relations. This can best be outlined by quoting a Canadian Red Cross correspondent who was on hand in England not so long ago when many Canadian servicemen were repatriated from enemy prison camps. She stated, in part, as follows:

"No other khaki-clad crowd I have ever seen has stood so quietly as that outside the office hut of a clearing hospital I visited today. They didn't lounge or sit on the grass or even talk. They just stood, like men accustomed to standing for long hours without energy or reason for walking. It was easy to visualize the barbed wire fences that had lately surrounded them.

"At close quarters an empty sleeve, a stiff leg or a black shield over an eye told its own story. It was one the boy himself did not usually mention. He wanted to talk about the Red Cross. Battle and wounds and prison are to him old stories, but the Red Cross has been with him all the way, the link with the sane, kind world.

"No fine oration could be sufficiently moving or convey gratitude so deep as that the boys tried one after the other to express. If any one of the thousands of Canadian men and women who had contributed work or money could have been in my shoes, they would have felt well rewarded for the years of effort they had given. It has been so much worthwhile.

"Pte. Norman Scully of Toronto, wounded at Dieppe, was treated in prison camp hospital by a British surgeon, and his leg was saved, but Norman was far more interested in telling me that he got his first Red Cross food parcel on Aug. 28 when he reached Stratdora Hospital and 'they came pretty regularly after that or I don't know what we would have done.'

"Pte. Joe Brenner of Windsor, wounded in the jaw, insisted 'nothing will ever taste as good as those meat rolls and, oh boy, how they could fry up.'"

Gratitude

These grateful words from Canadian lads, plus the hundreds of thousands of "thank you" cards signed and sent back to Canada by other prisoners not so fortunate as to be repatriated, show that the Canadian Red Cross food parcels really reach their destination.

Physical examinations of these repatriated Canadians in England by Canadian service doctors and nutrition experts have shown that the long weeks of preparation spent early in the war planning the nutrition content of these parcels have been well worth while. In every case the men were found to be in first-class condition from a nutritional point of view.

Those who were unable to receive their food parcels for any length of time, mainly because of bombed-out transportation facilities within Europe, were said to be so weak they could hardly get out of bed—after a diet of enemy prison fare. Repatriates and escaped prisoners have stated frankly that without the Red Cross food parcels they would certainly have starved to death.

What Women Are Doing

Since the beginning of the war women's war work committee groups from coast to coast have prepared over 27 million articles of supplies to be shipped overseas for the armed forces and suffering civilians. Also 25,000 cases of hospital and relief supplies for Allied Red Cross Societies, as well as 300 ambulances and other vehicles went over too.

Shipwrecked sailors are among those grateful to the Canadian Red Cross. They are supplied with dunnage bags filled with clothing and necessities if picked up at sea by a Canadian ship or landed at Canadian ports. Earlier in the war it was found that supplying survivors at sea with clothing from the ship's stores or from the crew's personal supplies was too heavy a drain on the rescue vessel. Accordingly, through the Red Cross, all Canadian fighting ships or vessels leaving Canadian ports carry a supply of survivors' dunnage bags, ready for any rescue. In addition, comforts and warm clothing are supplied to all the men of Canada's fighting Navy by the Red Cross and these articles, plus the survivors' dunnage bags, have been provided in millions.

Enquiries

Since the beginning of Canadian participation in action in Italy and Sicily the daily enquiry lists to the Red Cross Overseas Office have lengthened, and include many for wounded or missing men of the Canadian Services. Full details as received in the reply lists are forwarded by air mail to the next of kin with any appropriate advice or information. This is only part of the great service rendered by the Canadian Red Cross Enquiry Bureau at Ottawa. From June to October last year this department reached a total of 4,678 dictated letters dealing with missing men. In the same period cable enquiries to London numbered 203, from London 407, to Geneva 45 and from there 125.

These services of the Canadian Red Cross outlined above represent only part of the tremendous task the Society has undertaken. Summarized briefly below are other important reasons why this financial campaign must be oversubscribed:

600-bed military hospital in Britain built and fully equipped at a cost of $840,000 and turned over to Canada's Department of Defense.

36 mobile kitchen units costing $111,600 presented to Britain's Fire Fighters.

Over 1.3 million pounds of jam and honey provided for children in Britain.

Patients in military hospitals in Canada and abroad, as well as the armed forces, cheered and helped by Red Cross gifts of over 10 million articles of comforts and supplies. Red Cross "visitors" make sure no Canadian patient is lonely or his needs unfilled.

Russia aided with goods and services valued up to $2 millions—China $750,000. Over 700,000 prisoner-of war parcels to Greek, Polish, Jugoslav and Belgian prisoners, in addition to comforts and supplies. Fighting French, Fighting Greeks, Polish, Czech and French Red Cross Societies also helped with gifts of comforts and supplies.

Armed forces in Canada given over four million articles and cash grants made toward hostels.

Red Cross Corps of uniformed volunteer women has 5,300 members, 80 detachments. 150 of these girls are now serving overseas—even in Italy.

Junior Red Cross has given over $1.5 million; has donated ambulances and other vehicles; maintains 14 war nurseries in Britain; endowed a military hospital bed; donated food, drugs and money for starving children of the United Nations.

How Red Cross Will Spend $10 Millions

FOR	$000	%
Food parcels for British prisoners of war	5,500	39.57
Allied Red Cross Societies	1,000	7.19
Hospital supplies and comforts for armed forces and civilians	3,000	21.58
Contingencies and grants	1,600	11.51
Blood donor service	750	5.40
Other war services	100	.72
Total war services	11,950	85.97
Administration	600	4.32
Campaign and publicity	350	2.52
Peacetime requirements	1,000	7.19
	13,900	
Less available funds and other income	3,900	
Total	10,000	100.00

TO LABOR BOARD

E. Norris Davis, personnel manager, English Electric Co. of Canada, St. Catharines, who has been appointed an employer-representative on the Ontario Regional War Labor Board. Mr. Davis is a law graduate of University of Saskatchewan and Dalhousie University.

Tighter Control Of Paper Seen

From Our Own Correspondent

MONTREAL.—Tighter control of paper supplies in the United States is bringing a reaction from publishers.

The War Production Board's order reducing amount of woodpulp that can be used in U. S. to make newsprint threatens the future of newsprint mills, according to a statement by the American Newspaper Publishers Association.

"The ANPA newsprint committee is fearful this is but another step in the long series of developments, taking advantage of war conditions, to hamstring the American newsprint industry to the disadvantage of American newspapers."

According to the WPB, curtailment was made necessary for requirements for other purposes and would be balanced by supplies from Canada.

Curtailed 20%

Newsprint supplies to U. S. mills will be curtailed about 20% during the first quarter of 1944 and perhaps longer because of the diversion.

During January the American mills operated on an oral suspension, feeling that an adjustment would be made, but they now find themselves having to ask WPB to refrain from requiring the pulp uses in January to be made up by greater cuts in February and March.

Shy of Army Contracts

The WPB, on the other hand, says continued reluctance of the paper industry to bid on army contracts will force issuance of stricter controlling orders which will guarantee prompt delivery of materials for military requirements.

U.K. Sets Quota Salmon Import

From Our Own Correspondent

VANCOUVER.—The British Government's requirements of canned salmon and canned herring from British Columbia will be about the same as last year, the west coast industry has been advised. Plans are going forward to supply this demand in the hope the allocation this season will be the same as in 1943 for the domestic market.

Prices for the finished product will also be the same as last year, and during the next few months the canners and fishermen will hold their series of conferences to determine a basis for payment. Last year the Government established a maximum as well as a minimum price for fish delivered to the packers, and this was the cause of considerable protest from the fishermen. Eventually it was decided to leave the question of maximum prices for raw fish to negotiation between canners and fishermen.

The herring pack for the 1943-44 season has been practically completed, totalling nearly 1.2 million cases, of which all but 10% will be exported to the United Kingdom.

The Week in Business

	Jan.	Dec.	Nov.	Oct.	Year Ago
■Financial Post Production Index	264.2	264.1	264.0	262.5	238.4
National Income, D.B.S. (c)	....	746	752	738	647
Dom. war expend. (million $)	266.9	543.5	271.0	345.5	183.8
Dom. total revenue (do.)	278.9	209.3	215.1	248.9	216.3
Dom. total expend. (do.)	348.4	704.6	501.0	440.1	231.9
Dept. store sales index no.	....	....	169.3	157.3	168.5
Retail sales index no.	....	167.9	165.0	157.6	156.4
Wholesale sales index no.	....	165.6	170.3	175.2	148.4
Country store (% change pr. yr.)	....	+10.7	+11.0	+5.3	....
‡Divd. payment index‡	127.0	125.9	124.6	123.9	122.5
■Bank deposits (1935-39=100)	188.6	191.2	176.3	175.3	157.0
Cash and cheque pay. index	....	192.5	238.4	186.8	165.8
Bank debits (1935-40=100)	....	164.3	195.4	155.0	142.1
Money supply (c)	....	5,271	4,930	4,886	4,343
NEWSPAPER % OF CAPACITY—					
Production ratio	....	67.4	69.2	70.1	66.0
Shipment ratio	....	65.1	70.4	70.7	65.8
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	196.1	164.5	135.4	175.9
Cars (D.B.S. index)	....	153.2	138.8	121.6	145.2
COST OF LIVING—					
D.B.S. index	119.0	119.3	119.4	119.3	117.1
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	190.6	188.7	187.6	186.5
Manufacturing	....	231.0	230.8	231.3	221.7
Payrolls (June 1/44=100) (b)	....	153.4	152.0	150.7	144.0
Payrolls (1937=100) (a)	....	....	215	221	216

	1943-44	1942-43	1943-44 Jan. 1 to date	1942-43 Jan. 1 to date	Change %
RAILWAYS—					
■Carloadings (week Feb. 12)	66,771	60,339	404,473	349,834	+15.6
■C.P.R. gross (week Feb. 14) $	5,440,000	4,856,000	34,751,000	28,363,000	+22.5
C.N.R. gross rev. .. (Nov.) $	37,001,000	31,886,000	401,535,000	338,715,000	+18.5
C.N.R. net rev. ... (Nov.) $	7,226,000	6,602,000	88,583,000	78,266,000	+13.1
C.P.R. gross rev. .. (Dec.) $	27,282,823	24,523,338	297,107,791	256,864,091	+15.7
C.P.R. net rev ... (Dec.) $	5,017,649	5,194,311	49,211,567	48,187,689	+2.1
IRON AND STEEL—(December)					
Pig Iron production (tons)	137,256	164,382	1,758,265	1,975,015	—10.9
Steel production .. (tons)	227,822	269,834	2,996,978	3,121,361	—4.0
CONSTRUCTION—					
Contracts awarded (Jan.) $	8,782,400	11,984,300	....	....	—26.6
Building permits .. (Dec.) $	5,606,000	6,625,000	89,212,388	104,235,848	—14.4
Cement prod., bbls. (Nov.)	497,000	623,000	7,075,665	8,800,092	+19.5
AGRICULTURE—					
Flour prod., bbls. .. (Dec.)	2,173,433	2,062,835	24,474,696	20,760,396	+17.8
Cattle sales▲ ..... (Jan.)	94,294	56,909	......	......	+65.5
Hog sales▲ .... (Jan.)	901,665	499,844	....	....	+80.5
SEA FISHERIES—†					
Catch, cwts. ...... (Nov.)	978,418	761,600	10,351,275	10,047,300	+3.0
Landed value .... (Nov.)	1,968,496	1,494,300	31,810,276	30,259,300	+5.1
NEWSPRINT—					
Production, tons .. (Jan.)	242,658	233,544	....	....	+3.9
Exports, tons ..... (Dec.)	224,482	226,779	2,816,566	3,006,150	—6.3
MINING AND OILS—					
Coal prod. tons ... (Dec.)	1,609,349	1,739,700	17,786,562	18,865,030	—5.7
■Gold rec. (fine oz.) (Jan.)	256,414	360,755	....	....	—28.9
Petroleum prod., brl. (Nov.)	789,430	838,511	9,147,479	9,506,121	—3.7
ELECTRICAL POWER OUTPUT—(December)—					
Total monthly 1,000 kw.h.'s	3,559,509	3,252,435	40,377,649	37,199,182	+8.6
FOREIGN TRADE—♦					
Imports .... (Dec.)	134,872,074	137,569,394	1,735,076,890	1,664,241,933	+5.5
Exports .... (Dec.)	307,963,754	271,239,281	3,001,352,279	2,385,466,046	+25.8
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. .. (Dec.)	2,704,543	2,650,375	34,282,079	33,199,912	+3.3
■Cotton consump. lb. (Jan.)	14,217,550	14,374,572	....	....	—1.1
Cigarette cons. No.† (Jan.)	1,001,684	872,109	....	....	—14.9
FINANCE—					
■Bank debits† ...... (Jan.) $	4,512,474	3,899,628	....	....	+15.7
Bond sales† .... (Dec.) $	171,766	92,552	6,686,094	4,290,673	+55.8
Life insurance sales (Dec.) $	51,999,000	45,576,000	587,008,000	534,822,000	+9.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. †000 omitted.
▲Total at yards and plants. ■New items for week.
‡Supplied by Nesbitt, Thomson & Co. (c) 000,000's omitted. ♦Gold excluded
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Leland Elec. Makes New Appointments

Leland Electric Canada, Ltd, Guelph, announces several changes in its executive staff.

J. E. Aldom, formerly manager of the Toronto branch, has been appointed sales manager.

H. H. Wilson, formerly with the F. F. Barber Machinery Co. has been appointed manager, Toronto Branch.

F. S. Bush, previously branch manager at Montreal, has been made assistant to the general manager.

The position of manager of the Montreal branch has been filled by C. J. DeWitta, who has been with the company's production department for many years.

Central Manitoba Mines is reported as still holding 150,000 of Dominion bonds, $10,000 Great Winnipeg Water District bonds, 50,000 shares of Berens River Mines and $10,700 cash. Liabilities total $400.

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PUMP CASTINGS RAILROAD CASTINGS ROAD & BUILDING CONSTRUCTION CASTINGS
SHIP & MARINE CASTINGS VALVE CASTINGS

We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INVESTMENTS

United Steel

Why is United Steel so dead marketwise?

There is no very sensible explanation for the inactivity of United Steel Corp. on the market. We are informed that the company continues to be intensely active and has had at least as good a year as in 1942, although allowance has to be made for the fact that income tax will be higher during the later period.

Fanny Farmer

What is the earnings record and outlook of Fanny Farmer Candy Shops, Inc.?

Fanny Farmer has paid a dividend totalling $1.75 in each year since and including 1937. The dividends are payable in U. S. funds, and consequently bring a slight premium to the holder. Ever since 1919, the company has shown a practically uninterrupted record of growth. The only case in which we have record of a decline in the number of stores is for 1942 when sugar rationing came into effect, and presumably the company closed some of its less profitable branches. We have not as yet the figures for 1943 which may show some gain over 1942 since sugar rationing has been somewhat eased of late. Further improvement in this situation during the current year is anticipated.

Sales per individual store are considerably higher than in earlier years. Peak sales of course were recorded in the earliest days when the company's products were a novelty and total sales per store reached a high of $67,750 in 1921. They subsequently dropped to a low of $21,672 in the depression in 1932, but were back in 1942 to $46,450, a new high since 1921.

Because of its stable record and steady growth, the company's stock has enjoyed a high investment rating and the price of the stock has tended to be quite stable in good years and bad. It is anticipated the company will have no great difficulty in navigating the readjustment to peace after the war, though it is possible holders of Fanny Farmer will lose the slight premium that is now being paid as a result of the premium on U. S. over Canadian dollars.

Hamilton Bridge

What is the earnings record of Hamilton Bridge, and what is the outlook for this company after the war? Is the stock an investment or speculation?

In 1942 earnings amounted to 77 cents per share, in 1941 to 80 cents per share, and in 1940 to 67 cents per share. Prior to 1940, the company suffered a loss every year back to and including 1932 with the exception of 1936.

Engaged as it is in the construction industry, making steel bridges, steel frames for buildings, railway turntables, steel tanks, steel telegraph and telephone poles, etc., the company has had the common experience of many firms in this "feast and famine" trade.

The stock must therefore be regarded as speculative, with probabilities favoring a fairly high level of earnings during the immediate postwar years. There is a tremendous backlog of work to be done in the field served by the company, and as soon as it is relieved of its present wartime production, the company would presumably be able to earn substantial profits. The highest level of net profits shown in the past was for 1929 when net profits of $553,274 were earned. This would be equivalent to over $2 per share on the present common stock. Recently, the company sold its western subsidiary, the price not having been announced nor any report made as to what will be done with the funds received. On the whole, outlook for the company appears favorable at present, but we would again emphasize the feast-or-famine nature of this industry.

Canadian Locomotive

Is there any possibility that Canadian Locomotive Co. will refund its First Mortgage 6% bonds in order to secure a lower rate of interest, and is there any prospect of a dividend on the common?

The president of Canadian Locomotive informs us "it is questionable whether any refunding operation at lower interest rates would be worth while at the present time." He points out that in accordance with the trust deed on the first mortgage bonds an amount of $52,240 is required annually as a sinking fund for the bonds. As of July 1, 1944, the total accumulated requirement for the sinking fund would amount to $417,920, there having been eight years in which the sinking fund requirements were not met. No dividend can be paid on the common stock while the sinking fund is still in arrears, even though the existence of these arrears does not constitute a default on the bonds.

We are also informed the company is now approximately 98% engaged on locomotive manufacture, and that present and prospective orders would appear to warrant continued maximum production of locomotives for some years. In addition, the company looks forward to resuming its mining machinery business as soon as this is permitted.

Securities Holding Corp.

Would appreciate some information about Securities Holding Corp. which I am advised is being wound up.

Following a meeting of shareholders in Oct., 1943, it was decided to wind up the affairs of Securities Holding Corp. The company's assets are now in the hands of the Premier Trust Co. for liquidation. The preferred stock is being redeemed first at $25 per share and should be surrendered, preferably through your bank, The Financial Post is informed. The common stock is not yet being redeemed, but it is anticipated there will be approximately $4 per share available when it comes time to redeem this stock. Common shares should not yet be turned in for redemption.

INCOME TAX

Life Insurance Proceeds

During 1943 my insurance policy matured. The company concerned paid me the amount due. The sum was used in full in part payment of a new home for myself. Is the sum liable to 1943 income tax?

No. The proceeds of a life insurance policy are not liable for income tax.

Sells Shares

A limited liability company in Nova Scotia over a number of years has built up a reserve account. Now one of the shareholders has decided to sell out. He is of course only selling his shares. Would he be expected to pay income tax on his share of the reserve, which he receives in the enhanced value of his shares. The company has already paid all taxes due by it.

The enhanced value of the shares due to the accumulated reserve, we are informed, would be regarded as capital appreciation and hence not subject to tax.

Unemployment Ins. Dues

Are compulsory contributions by individuals for Dominion Government unemployment insurance allowable deductions from income for income tax purposes?

Contributions by individual employees are not deductible as expenses in making up income tax returns.

Cochenour Willans

My broker has been recommending strongly purchase of shares of Cochenour Willans Gold Mines. Will you please give me some details of this Red Lake producer's operations?

Cochenour Willans Gold Mines has been doing very well both from the standpoint of maintaining and increasing profits and in revealing new ore both in its main mine and the important north sector. Besides, surface diamond drilling has indicated possibility of ore bodies on the newly acquired Kelson ground and it is understood that a shaft is planned for this part of the company's property.

Earnings for the year ended May 31, 1943, were equal to 15.2 cents a share compared with 13.8 cents a share the previous fiscal year. Opening up of exceptionally high-grade ore in its present workings has allowed some increase in production while the milling rate has been maintained fairly constant. Like most gold producers, the company has been somewhat short of labor, but it is understood the labor supply has been augmented recently and this has allowed some improvement in amount of development carried out.

Due to the lenticular character of ore bodies, the company does not release detailed estimates of ore reserves. But from various statements made, it appears that ore reserves are at least in the neighborhood of three years' milling requirements.

WPTB QUESTIONS

These questions have been asked of the Wartime Prices and Trade Board and the answers are furnished by officials of that Board.

Notice to Vacate

We have lived in the same apartment building for two years. We now have a small baby and have been given notice to leave as they do not want children in the building. Are they allowed to do this?

No. They cannot force you to move for this reason. The landlord would have to make application to a county court judge in order to obtain permission to take over your apartment. The judge would give a decision on the matter.

New Owner

I am buying a house and two acres of land to be used as my own home. How much notice should I give the present tenant to vacate?

As a new owner you must give the tenant six months' notice. If the tenant is renting on a monthly basis his notice to vacate must not fall due between Sept. 30 and April 30. If the tenant has a lease you must give six months' notice prior to the expiration of the lease. The Rentals Administration will supply you with the proper forms to be signed.

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H. G. Welsford, vice-president of Dominion Engineering Works, who has been elected a director of Shawinigan Water & Power Co., replacing G. H. Duggan, who has resigned.

Easy Washing Net Cut 20%

Gross Income Higher, but 100% EPT Reduces Profit

Though gross earnings were higher, 1943 net profit for Easy Washing Machine Co. was approximately 20% lower than in 1942, The Financial Post is informed, the decrease being caused by application of 100% EPT. Such earnings more than covered dividends of 70c. a share and payment of 35c. a share arrears on the preferred stock.

Working capital position at the year end was little changed as compared with that at Dec. 31, 1942.

As a result of the removal of restrictions on scrap aluminum and other metals and Government permission to manufacture up to 18% of 1940 production, the company to date in 1944 has made a small number of washing machines. It is still largely on war work, however.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

Rubber: M & S Order No. Rubber 7-B, effective Feb. 1, rescinds Order No. Rubber 7A, and provides for the inclusion of Neoprene GRM (synthetic) in "rubber" under PC 7191. Deputy Rubber Controller, J. A. Martin.

• • •

Whisks: WPTB Order No. A-1097, effective Feb. 7, 1944, provides a surcharge on the maximum selling price of manufacturers and wholesalers of whisks made of broom corn, but maintains the retail ceiling previously set. Admin. of Furniture and Brushes, Jas. E. Ferguson.

• • •

Heaters: WPTB Order No. A-1099, effective Feb. 9, 1944, revokes Orders No. A-988 and A-574 respecting heaters and unit heaters. Admin. of Heating, Plumbing & Ventilating, E. J. Laidlaw.

• • •

Lath Prices: Ont. & Quebec: WPTB Order No. A-1084 effective Feb. 14, fixes maximum wholesalers' and manufacturers' prices for the sale of lath produced from jack pine in Ontario and Quebec and provides regulations covering invoicing. Timber Admin. A. H. Williamson.

• • •

Coal Stokers: WPTB Order No. A-1106, effective Feb. 21, amends Order No. A-562 respecting screw feed coal stokers. Admin. of Heating Plumbing and Ventilating Equipment and Supplies, E. J. Laidlaw.

• • •

Priorities: M&S Order No. PO 4B, effective Feb. 21, 1944, revokes Priorities Officer's Orders PO4 and PO4A and provides a revision of the program classification system. Priorities Officer, W. E. Uren.

• • •

U. S. Materials: M&S Order No. PO5B, effective Feb. 21, revokes Order PO5 and PO5A and sets forth provisions applicable to the purchase of (noncontrolled) materials in the United States for maintenance repair and operating supplies or minor capital expenditure as defined in the order. It applies to wider classifications of importers and generally increases the types and dollar value of equipment for which U. S. preference ratings may be extended automatically. Priorities Officer, W. E. Uren.

• • •

Tires: M&S: Order No. Rubber 4-D amends Order No. Rubber 4 (rubber tires and tubes) by removing restrictions on the sale of scrap tires as defined. Deputy Rubber Controller, J. A. Martin.

• • •

Nickel Plating: M&S Order No. MC 36-A amends Order No. MC 36 and authorizes the use of nickel anodes or nickel salts which were in the possession of nickel plating establishments in Dec. 31, 1942, for plating certain specified articles originally plated. Deputy Metals Controller, F. M. Connell.

• • •

Wood Fuel: Order in Council PC 287 extends regulations respecting subsidies for production and transportation of wood fuel to cover wood fuel used in the making of charcoal except for export or when made in units designed to produce by-products and to be sold for any purpose other than use as domestic fuel. Clerk of the Privy Council, A. D. P. Heeney.

Armistice Gold Mines has completed its No. 35 drill hole which is stated to have indicated a northerly dip for the carbonate zone which is being investigated.

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Industry Must Provide Bulk of Postwar Jobs

Engineers Estimate That Over 700,000 New Jobs Will be Needed After the War — Query Marsh Report

By H. NAPIER MOORE
Editor Maclean's Magazine

There seem to be more tall, solidly built men in engineering than in any other profession. When you see several hundred engineers all in a bunch it's like being in a Douglas fir forest.

Several hundred Canadian engineers assembled in Quebec City for the 58th annual general and professional meeting of the Engineering Institute of Canada. Among them were men who have brought to actuality many of the biggest construction and development projects in this country's history. They have solved large and knotty problems. Now they are surveying the biggest problem yet—Canada's postwar planning.

They devoted a full day's discussion to the subject, centred on a three-part report authored by:

JOHN E. ARMSTRONG, chief engineer of the Canadian Pacific Railway;
R. M. BROPHY, general manager, Canadian Marconi Co.;
G. A. GAHERTY, president, Calgary Power Co., and president, Montreal Engineering Co.;
ARTHUR SURVEYER, consulting engineer, Montreal;
R. I. WELDON, president, Bathurst Power & Paper Co., Ltd.;
H. G WELSFORD, vice-president and general manager, Dominion Engineering Co., Ltd.

To Provide Jobs

Considerable work and much consultation with employer, labor and other groups, had gone into that report and the assembly voted it be sent on to the Institute council for further action. Assuming that the European war ends this year or next, and the war with Japan a year later, the engineers estimate the problem as that of providing employment for 4,860,000 Canadians by Jan., 1947; 710,000 more jobs than there were in Aug., 1939.

The engineers think about half a million more workers will be required in agriculture if Canada is to continue to be a major exporter of farm produce; admit there will be reluctance to return to the land unless farm employment is made more attractive from both the financial and social viewpoint. Moreover, the report points out that the world price of farm products must have a direct bearing upon wage levels at which full employment can be supported in our industries.

What Industry Must Do

Taking it for granted that government public works will enter into planning, the engineers stress that industry must assume the major burden of job-provision; point to the vast capital expenditures that will be necessary and urge that to aid industry in establishing a postwar pot, the Government should immediately mod: the Excess Profits Tax and eliminate it at the earliest possible moment; amend the Income Tax to accelerate accumulation of cash reserves.

Numerous other recommendations covered the necessity of providing training for demobilized members of the armed forces; training of trades apprentices; proper training for foremen and supervisors in matters affecting employer-employee relationships; co-operative committees of management and employees; establishment immediately by the principal national organizations representing all classes of business of a bureau of economic research and development.

Query Marsh Report

During the discussion the construction industry, via a report read by H. G. Cochrane, got down to brass tacks in the matter of expenditures, capacity and training. It thought that the Marsh Report recommendation of $1 billion a year for public works was far beyond capacity of the industry. At present, with available equipment, machinery and trained personnel, it could handle a volume of $350 millions of construction work. In the first postwar year it could take care of $500 millions; $600 millions the second year; $800 millions the third year. Half a billion dollars expenditure would provide a year's work for 192,000 men and 34,000 salaried employees on construction work, and 250,000 indirect jobs in production.

Mr. Cochrane estimated that during three years 13,000 men could be placed each month. But he pointed out that it isn't possible to put an unlimited number of unskilled men to work. The ration is 55% skilled to 45% unskilled, and as only 15% of the country's skilled construction labor is in the armed forces, time would be required for training. Moreover, time would be required for preparation of plans, specifications, etc.

* * *

Moose Story

Edouard Simard (Sorel Industries), agreeing with the main report's forecast of difficulties in getting men back to the farms (many of the workers in the Simard shipyard and gun plant came from rural Quebec), drove home his point and shook the room with a story of moose brought to a zoo from the Quebec hinterland. They bred so that in time they became a problem. Decision was made to send them back to the national park, and rangers escorted them there. But after the comforts of the zoo, the moose weren't content to dwell in the wilderness; didn't like foraging for food. They followed the rangers back, eating farm crops as they went, and bleated to get into the zoo. This doesn't sound very funny as you read it, but as Monsieur Simard told it, it laid the audience in the aisles.

* * *

Little Humor

Elliott M. Little, crisp and competent chairman of the postwar planning session, former head of National Selective Service, got a laugh too when, seeking an answer to a query from the floor he innocently enquired whether there was anyone present who knew anything about NSS regulations. He laid emphasis on the importance of getting down to plant level in all postwar planning. While communities could do much, engineers provided figures for individual objectives. Workers, he said, should be brought into planning immediately.

* * *

The Montreal Economic Committee —60 members representing business, commerce, industry and labor—reported considerable progress in plans for a "work pile" in and around that city, though the response to a questionnaire sent to individual business firms (700 answers) was regarded as being too feeble.

* * *

Management's Job

Massive, genial William L. Batt, vice-chairman of the U. S. War Production Board, and president of SKF Industries, in a luncheon speech on "Management's Need of Broader Vision," thought management must assume a good deal of responsibility for the quality of union leadership. "Poor management is almost sure to result in poor union leadership," he said. Further comment on postwar planning: "The United States must buy more and more goods from other nations as well as sell more and more goods. Not free trade, but intelligent trade."

* * *

Overheard in the Lobby:

"I have a lot of ideas in my business for postwar expansion. The only thing that prevents me from carrying them out is taxes."

And, from a visiting businessman who wasn't attending the convention: "I've got plenty of ideas for postwar expansion. But why should I spill 'em now and tip off my competitors, I ask you?

Mining Options

McCuaig Red Lake Gold Mines—By Jan. 29 agreement, C. A. Gentles underwrote 100,000 shares at 10c. and received option on 400 000 shares at 12½ to 20c. a share. Authorized capital is three million shares with 1,975,005 issued.

* * *

Northland Mines (1940) — By Jan. 28 agreement, F. B. Loblaw underwrote 20,000 shares at 5c. and received an option on 1,980,000 shares at 5 to 50c. a share. Authorized capital is 3.5 million shares with 1,000,009 issued.

* * *

Novell Porcupine Gold Mines—By Jan. 10, agreement, Paul S Dina optioned 1.8 million shares at 5 to 50c. a share. Authorized capital is three million shares with 1,200,005 shares outstanding.

* * *

Raymond Tiblemont Gold Mines — By Jan. 25 agreement, a million shares optioned by George Chapman & Co. at 7 to 25c. a share with further option on 500,000 shares at 50c. if first option completed. Authorized capital is 3.5 million shares with 1,005,380 shares outstanding.

* * *

Obaska Lake Mines—By Dec. 31 agreement, International Mining Corp. (Canada) and Connell Mining & Exploration Co. underwrote 50,000 shares at 10c. and received option on 468,499 shares at 10c. to $1 a share while Frobiser Exploration Co. received option on 955,497 shares at 15c. to $1.03 a share. Authorized capital is three million shares with 1,007,500 shares outstanding.

* * *

Rypan Porcupine Mines — By Jan. 5 agreement, Elmer C. Thompson underwrote 10,000 shares at 10c. a share and received option on 690,000 shares at 15c. to $1 per share. Authorized capital is two million shares with 1,175,570 outstanding.

Progress and Expansion

SOME FACTS FROM THE 62nd ANNUAL REPORT

1. INCREASE in estates trusts and agencies under administration — $6,401,000.
2. INCREASE in surplus, surplus now $614,317 — $65,855.
3. INCREASE in liquidity from 97 per cent. to — 126 PER CENT.
4. INCREASE in total assets under administration up to — $257,184,864.

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Motor Laws Seen Inadequate

Is Compulsory Automobile Insurance the Answer?

By ROMNEY ROBINSON
Northwestern Mutual Fire Association, Hamilton

To meet public demand for indemnity for motor vehicle accidents, all provinces except Quebec some years ago enacted financial responsibility laws in preference to compulsory automobile insurance. Recently agitation has arisen that these laws are inadequate. Compulsory insurance has again been advanced as a solution, with establishment of a compensation fund suggested.

A committee of the Manitoba legislature recently recommended enacting a safety responsibility law which is a combination of financial responsibility and the compensation fund plan. In this article Romney Robinson, office manager of the Northwestern Mutual Fire Association at Hamilton discusses the three basic plans for dealing with the situation. The views expressed are his own and do not necessarily represent those of his company nor of The Financial Post.

Among the problems recently attracting attention and which, it is believed, will have to be dealt with in all provinces in the near future is indemnity for automobile accidents. It arises from the complaint of the automobile owner: "I carry public liability and property damage insurance on my car. If I get mixed up in a collision, and it's my fault, the other fellow gets the protection of that insurance. But if it's his fault, and he has no insurance, I have to take a chance on trying to collect from him. I pay for insurance. Why shouldn't he be made to do the same."

Considering the damage to life and property a modern automobile can inflict, should a man be permitted to drive before he has displayed the ability to pay for any loss he may cause?

The answers are not simple. Three solutions have been offered:

1. **Financial responsibility laws,**
2. **Compulsory insurance,**
3. **Compensation funds.**

All Canadian provinces except Quebec, and most of the states of the Union, have financial responsibility laws. Ontario's law, is representative: If you have an accident, and the courts convict you of careless driving, or a similar charge, you will likely get a note from the Department of Highways that your license is suspended until you furnish proof of financial responsibility. (This, by the way, is quite different from suspension of your license by the judge, in which case you are not permitted to drive, no matter how financially responsible you may be.)

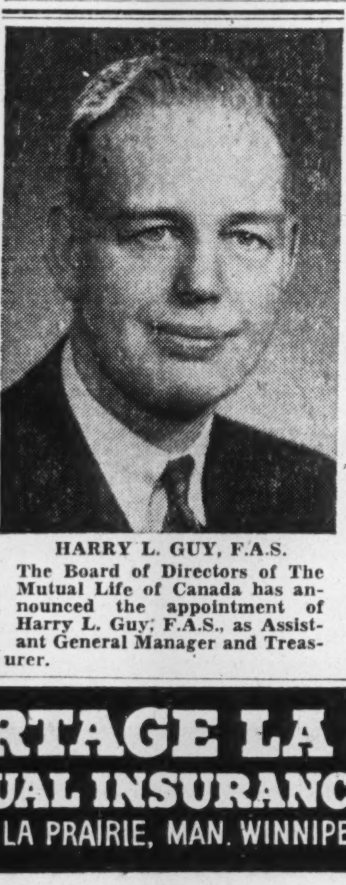
You have three choices. You may file an $11,000 surety bond, a method used infrequently. You may post cash or securities totalling $11,000, a method employed even less frequently. Or, you may furnish an insurance company's certificate, stating that it has issued you a public liability and property damage policy, and will not cancel that policy without notice to the Department of Highways.

This certificate is occasionally difficult to obtain. A bad accident record, or any hint that liquor was involved, and you may have a hard time persuading an insurance company to sell you a policy.

Your certificate once obtained must be continued for at least two years. If you have another accident, the Department of Highways may require your insurance continued for a further term. Otherwise, you are free to drop or continue it at the end of two years.

Ontario's financial responsibility law appears to be competently administered. But the theory back of the law is open to question, and its effect as a substitute for compulsory insurance is negligible.

At one time it was argued that 80% of the accidents were caused by 20% of the drivers. If that were true, then a financial responsibility law would be an effective measure. Most of that 20% would sooner or later be hauled into court on some driving charge to find themselves in the arms of the financial responsibility law. But that is not so. Most accidents are caused by ordinary drivers, neither especially careful nor particularly careless. The percentage of drivers responsible for more than their accident share is only a small part of the total. And the remedy for these "repeaters" is not to compel them to carry insurance, but to forbid them to drive at all.



HARRY L. GUY, F.A.S.
The Board of Directors of The Mutual Life of Canada has announced the appointment of Harry L. Guy, F.A.S., as Assistant General Manager and Treasurer.

Broadening Advocated

A broadening of Ontario's financial responsibility law is advocated, after the example of Maine, New York and New Hampshire, whereby it might be extended to all drivers involved in accidents totalling $50 or more in damages. That change would greatly broaden the law's scope, and publicize it to the driving public. But is it an improvement simply as a closer approach to compulsory insurance?

The intent of all financial responsibility laws is to increase your chances that the man who hits you can pay for the damage he inflicts. The broadened financial responsibility law requires the man who has had one accident (omitting fender bumps and the like) to give proof of financial responsibility both for the one accident and for the future. But if there is any value in the theory that most accidents are caused by plain ordinary drivers, what good is it simply to insist on insurance for the man with one accident chalked up against him? If we exclude the "repeater," will the results be so very different from those obtained by enforcing insurance upon an equal number of drivers picked by lottery?

Nevertheless the law has some loopholes.

The automobile policy form in common use is an Owners' and Drivers' policy. It protects the owner and those who legitimately drive the car, while that car is being driven. I may have been required to supply a certificate guaranteeing I have such a policy upon my car. But there is nothing whatever to stop me from borrowing my brother's car, on which there is no insurance, and driving it to my heart's content—except, of course, my brother's. There are cases, where a man files a certificate covering his private car, for instance, then drives an uninsured private commercial vehicle, in which this loophole looms—big enough to drive a truck through.

Supporters of the Ontario law say it has increased highway safety. It cannot have had much influence, for most drivers know virtually nothing about it. And safety is something quite different from financial responsibility. Safe driving habits are something of the brain and the mind. It is doubtful if any law, outside traffic rules, will promote those habits for any enduring period. If the man is a more careful driver after an accident, it is because he has had a nasty experience he does not wish repeated. He may possibly mend his habits lest he be forbidden to drive if he does not—but surely the reason lies deeper in the mind than that. Even so, it is not the financial responsibility law that terminates his driving, but the decision of the insurance company not to give him a policy.

Compulsory Automobile Insurance

The United Kingdom, Australia and the state of Massachusetts all have compulsory insurance laws. There are some objections.

The law would be difficult to enforce upon visitors from outside the province. The difficulties of insisting that each money-laden tourist should carry insurance before he sets wheels on our roads are obvious. But it is a poor argument against compulsory insurance to say it is impracticable because you cannot enforce it upon one driver in ten.

It is argued that compulsory insurance would reduce highway safety, that the driver forced unwillingly to take out insurance will be more careless, knowing he has insurance protection. This is muddy reasoning. Our driver may be protected against the claims of others, but he still risks his own car and his own neck. There is a type of driver known as "judgment-proof" because he carries no insurance, owns no property, and is buying his car on time. He just hasn't any assets on which to collect. We may have no statistical proof that this man is a more irresponsibile driver than the next man, yet it is a reasonable enough assumption. He does have his share of accidents, often because he hasn't the money to maintain his brakes, or tires, or lights. But if he is an irresponsible driver, he is so because it is part of his make-up, and neither insurance nor the lack of it will change his driving habits. Compulsory insurance is no driving-safety measure. But neither is it an anti-safety measure.

Claims Consciousness

Now comes a more potent argument. Compulsory insurance, it is said, will increase "claims consciousness." That means the tendency of the accident victim to scream more loudly when he learns insurance balm is available. There is no denying this. But it is no use arguing the insurance companies can worry about that. They may worry about it, and they will, but in the last analysis, the policyholders, not the companies, pay all claims.

Claims would admittedly increase in the certain knowledge of insurance under a compulsory law, but with that compulsory insurance would come a new flow of premium collections with which to meet claims. That is, there might be no increase in the premium level, since compulsory insurance would simply put all claims upon the same footing. But that may be too optimistic a conclusion.

The Ontario compulsory insurance law applies only to buses, and other public commercial trucks. If the rates charged for transports and buses, and the disfavor with which such business is regarded by the companies, were conclusive, compulsory insurance would not be an attractive proposition. A public carrier, however, carries a heavy responsibility for the safety of its paying passengers, and this passenger hazard feature obscures any conclusions that might be drawn. The situation with regard to public commercial trucks is better. Rates are quite high, but some nonpublic trucks call for equally high rates. There does not seem to be any marked objection on the part of insurance companies to writing such business, on the grounds of increased claims in the certain knowledge of insurance cover.

The figures available with respect to Massachusetts are insufficient to evalue effect of the compulsory law. In 1941—later figures would be complicated by gasoline rationing—the rate level was 40% higher than in 1927 when the law went into effect. But it is reliably asserted that the 1927 level was much too low, and would have had to be increased anyhow. Then too throughout Canada and U. S. the trend of automobile insurance rates in that same 1927-1941 period was generally upward. Thus, it is impossible to determine how much of that 40% jump, if any, is attributable to the compulsory law. Opinion generally held in Massachusetts insurance circles is that the law has neither increased nor decreased accident frequency, but that it has resulted in increased claims consciousness.

In U. K. or Australia

No figures are available to the writer regarding British or Australian experience. Again, it is doubtful if they would be of any value, due to the difficulty of sorting out the effect of the compulsory law from the changes in the accident rate, the claim rate, and the cost per claim caused by other factors. Yet the same opinions are expressed—that the accident rate has not been affected, but claims consciousness has increased.

In neither of these two jurisdictions does there appear to be any agitation for repeal of the law.

So there is the problem. Financial responsibility laws are quite inadequate to assure that the man who hits you has an insurance policy. Compulsory insurance may bring an increase in claims cost.

Some advocate a compensation fund for accident victims, comparable to the fund established under Workmen's Compensation Law. A state fund would be established through a levy upon all automobile owners. It is interesting to speculate on whether or not liability insurance would still be a necessity for the prudent owner. Must you, an accident victim, wishing to claim from the general fund, first waive your rights of recovery from the drunken driver who hit you?

But the compensation fund idea marks an important departure from the theme discussed in this article, namely, how to make an automobile owner financially responsible for damage he may cause others. If he inflicts no damage to others, or if he is not at fault, he has no public responsibility to foot any bill. But to pick up this "doctrine of negligence" idea and transfer it into the sphere of a state compensation fund would be like trying to carry a house of cards in a paper bag. If we are to have that fund, it will be there for all accident victims, whether victims of somebody else's carelessness or their own. If a man kills himself through his own fault in running off the road into a tree, his estate will expect just as much recompense from the fund as though somebody else's folly had killed him.

Now that may be good public policy, but if it is, it is good policy for all types of accidents. The cost would undoubtedly be staggering. Any arguments against compulsory insurance apply against a state fund with equal force, and for the same reason — the claimant knows the money is there if he can get at it.

The scale begins with no insurance compulsion for anybody. It progresses through restricted financial responsibility laws to broadened ones, thence to compulsory insurance. Away at the other end of the scale is the state compensation fund.

The compensation fund is a sweeping proposal. But if we are to have greater state participation in our lives, as well may be, let us at least start out in branches where private effort is not willing to have a try at satisfying public demand and need.

Automobile and General Casualty Insurance
Lumbermens
MUTUAL CASUALTY COMPANY
SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies
Agency Inquiries Invited
VANCE C. SMITH, Res. Sec'y, Concourse Bldg, Toronto, Elgin 3355
"THE SAFETY-MINDED COMPANY"

THEY DON'T OPERATE UNTIL THEY'RE SURE

Doctors take no chances—a mistake is too serious. Before they operate the experts explore, test, consult, diagnose and *then* operate.

*"Tariff" Insurance companies likewise operate on established facts.

They know what they are doing because for over sixty years they have conducted a continuing study of losses, their causes and means of preventing them. This background of experience enables the "Union of Canton" Group Tariff Companies to insure you against financial loss at sound and equitable rates—"Tariff" rates.

When you require insurance, call in the "Union of Canton" Agent. He can offer you the experience and engineering knowledge and skill of experts employed by the Underwriter's Association, of which we are members.

These engineers may be able to offer suggestions of a Preventive or Protective nature, the introduction of which, in your present or projected plant would substantially reduce your fire insurance cost.

There are "Union of Canton" Agents everywhere.

*Tariff—"Any list or schedule of charges"—Funk & Wagnell's Dictionary.

Get The **PREVENTION** ***Habit***

Do not store open cans of paint, or oily or waxy rags in attics, closets or other confined spaces. See that lids are tight on paint cans. Place oily rags or rags used for waxing in metal containers.

BE SAFE! BE SURE!

UNION INSURANCE SOCIETY OF CANTON
LIMITED
Established 1835 COLIN E. SWORD, *Manager for Canada*
HEAD OFFICE FOR CANADA - METROPOLITAN BUILDING, TORONTO
COMPANIES OF THE "UNION OF CANTON" GROUP
British Traders Insurance Company Limited - The British Oak Insurance Company Limited - Beaver Fire Insurance Company
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The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON
THE PORTAGE MUTUAL INSURANCE CO. — MUTUAL SERVICE WITH SECURITY

1884 - 1944 *60th Anniversary — and still giving*
SERVICE WITH SECURITY

ANNUAL REPORT

Balance Sheet as at December 31st, 1943

ASSETS

Real Estate (Head Office Building)		$ 2.00
Bonds and Debentures at book value (Par Value $925,284.91)	$896,991.46	
PLUS: Amount to increase to values approved by Dom. Govt.	31,978.55	928,970.01
Deposits with Trust Companies for investment		15,000.00
Cash on hand and in banks		149,463.97
Interest accrued on investments		7,348.76
Agents' Balances	$ 26,992.62	
Less: Over 90 days	22.79	26,969.83
1943 Assessments unpaid		6,608.24
Surrender value of Life Insurance		4,019.80
OTHER ASSETS:		
Autos, Furniture and Fixtures ... $	2.00	Not included
Agents' Balances over 90 days	22.79	
NET ADMITTED ASSETS		$1,138,382.61

LIABILITIES

Provisions for Net Unpaid Claims		$ 16,976.53
Reserve of Unearned Premiums (Dominion Government Standard)		166,095.52
Reinsurance Premiums Held as Reserve		67,079.07
Sundry Accounts Payable		700.00
Reinsurance Accounts Payable		10,383.23
Employees' Retirement Fund		24,639.69
Total Liabilities to the Public		$285,874.04
Reserve for Unlicensed, Unsecured Reinsurance	$ 51,275.47	
Reserve for Contingencies	25,000.00	
Reserve for future fluctuation of Investments	110,000,000	$186,275.47
Total Liabilities and Reserve		$472,149.51
SURPLUS brought forward January 1, 1943	$606,214.89	
Increase to Surplus, Dec. 31, 1943	60,018.21	
		$666,233.10
TOTAL		$1,138,382.61

Unassessed Portion of Premium Notes $698,349.90

CERTIFICATES TO POLICYHOLDERS: We certify that we have audited the books, accounts and vouchers of The Portage la Prairie Mutual Insurance Company for the year ended 31st December, 1943. We have obtained all the information and explanations required, and after due consideration, have formed an independent opinion as to the financial position of the Company. In our opinion so formed the Balance Sheet herewith is properly drawn up so as to present a true and correct view of the state of the Company's affairs as at the 31st December, 1943, according to the best of our information, the explanations given to us, and as shown by the books of the Company. All the transactions of the Company that have come under our notice have been within the objects and powers of the Company.

Winnipeg, Canada,
18th January, 1944.

G. B. HARE & CO., C.A.
Auditors.

M. G. TIDSBURY, President. **E. H. MUIR, Vice-president.**
A. H. THORPE, Manager. **A. G. HALL, A.I.I.A., Treasurer.**

DIRECTORS
M. G. TIDSBURY, E. H. MUIR, E. D. ALDER, JAMES McKENZIE, ROBERT McDERMOTT, J. C. MILLER, K.C., JOSEPH TRIMBLE, ARTHUR SULLIVAN, K.C., Winnipeg, HON. D. L. CAMPBELL, M.L.A.

"The Company operates under the Dominion Insurance Act and is subject to Annual Inspection by Dominion Government Officials."

FIRE and Windstorm

FINANCIAL STATEMENT, DECEMBER 31, 1943

ASSETS

U. S. & Canadian Government Securities		$ 9,389,498.77
Preferred and Common Stocks		13,633,587.56
Total Investments		$23,023,086.33
Premiums in Course of Collection (Less than 90 days old)		2,864,031.03
Cash in Banks and Offices		5,670,112.32
Accrued Interest		21,901.03
Total Admitted Assets		$31,579,130.71

On Deposit with Dominion Government $710,000 for protection of Canadian Policyholders.

LIABILITIES

Legal Reserves:		
Unearned Premiums		$ 7,021,763.23
Claims		9,629,287.07
Federal Income and Other Taxes		1,103,934.64
Commissions		695,714.82
Expenses		16,406.07
Total		$18,467,105.83
Reserve for Other Liabilities		24,302.73
Capital Stock	$ 2,000,000.00	
Surplus	11,087,722.15	
Surplus as regards Policyholders		13,087,722.15
Total Liabilities		$31,579,130.71

AMERICAN AUTOMOBILE INSURANCE COMPANY

Canadian Managers
SHAW & BEGG, LIMITED
18 TORONTO STREET - - TORONTO

CHARTERED TRUST AND EXECUTOR COMPANY

THIRTY-SEVENTH ANNUAL REPORT

FINANCIAL STATEMENT, 1943

ASSETS

CAPITAL ACCOUNT:		
Office Premises and Safety Deposit Vaults	$ 287,847.09	
Real Estate held for sale	12,262.50	
Mortgages—Principal	192,418.79	
Mortgage interest due and accrued	3,069.85	
Loans on Collateral Securities	129,049.83	
Bonds and Debentures—		
Dominion of Canada and Province of Ontario	134,641.98	
Other British Dominions	53,969.92	
Canadian Municipalities and School Districts	143,644.83	
Corporations	174,508.38	
Interest Accrued	5,350.97	
Stocks	145,654.23	
Cash on Hand and in Banks	136,865.03	
Advances to Trusts, Estates and Agencies	15,710.21	
Accounts Receivable	14,402.27	
Other Assets	6,439.37	
		$1,455,835.25
GUARANTEED TRUST ACCOUNT:		
Mortgages	$ 486,370.31	
Interest Due and Accrued	5,091.12	
Bonds and Debentures:		
Dominion of Canada and Province of Ontario	1,968,749.82	
Eastern Provinces of Canada	57,876.88	
Other British Dominions	24,839.94	
Canadian Municipalities and School Districts	376,636.27	
Corporations	43,145.19	
Interest Accrued	19,358.99	
Loans on Collateral Securities	1,101,429.09	
Cash on Hand and in Banks	439,830.83	
		4,523,328.44
Total Capital and Guaranteed Assets		$5,979,163.69

LIABILITIES

CAPITAL ACCOUNT:		
Capital Subscribed and Fully Paid	$1,000,000.00	
Rest	250,000.00	
Dividend No. 100, payable Jan. 3, 1944	10,000.00	
Accounts Payable and Accrued Items	18,452.14	
Fees, Rents and other items paid in advance	11,232.75	
Reserve for Dominion and Provincial Taxes	32,306.55	
Balance at Credit of Profit and Loss	133,843.81	
		$1,455,835.25
GUARANTEED TRUST ACCOUNT:		
Trust Deposits	$3,826,650.06	
Funds held under Guaranteed Investment Certificates	696,678.38	
		4,523,328.44
Total Capital and Guaranteed Liabilities		$5,979,163.69

Estates, Trusts and Agencies

Cash, Securities and other Properties held for Estates, Trusts and Agencies	$22,953,733.77	
Total Estates, Trusts and Agencies	$22,953,733.77	

Estates, Trusts and Agencies under Administration by the Company	$22,938,023.56	
Advances from Capital Account	15,710.21	
		$22,953,733.77
Total Estates, Trusts and Agencies		$22,953,733.77

MR. ROLPH R. CORSON, President, addressed the meeting.

I present to you the Thirty-seventh Annual Report of the Board of Directors showing the Balance Sheet as at December 31st, 1943, and the Profit and Loss Account covering last year's operations.

The Report reveals the substantial progress our Company is making. I am sure that you will consider it a satisfactory report, and it is again my pleasure to state improvement in our Company's affairs and to say to you that it has never been in a stronger or more liquid position.

There are only one or two matters in connection with the Annual Report which I would particularly like to comment upon. The excellent results from last year's operations would not have been possible had we not had an efficient and loyal staff to perform well the many services our Company renders both here and in Montreal. I pay tribute to all of them, especially to the older members, who have taken on greatly added responsibilities owing to such a large number of our experienced employees now being in the Armed Services.

The year just passed was marred by, and our Company suffered a serious loss in the passing of William J. O'Brien, Assistant-General Manager. Mr. O'Brien was one of the most valued, loved and respected members of the organization. He entered the Company's service on his return from the last war, was a graduate in law and well and favorably known in the profession. I can personally speak of his honesty, capability and loyalty, and I pay tribute to his memory.

The loyalty of the staff is due in no small measure, I believe, to the fact that our Company has evidenced a real interest in their welfare. As an indication, after careful study by your Directors a Staff Pension Fund was brought into being on October 1st, 1938. Its value has already been demonstrated, and the security it provides is being more and more appreciated by our staff. It has already paid to the beneficiaries of deceased members over $7,000.00 and two members are now in receipt of a pension for life. I take some pride in stating that I believe we were the first of the Toronto trust companies to introduce a Staff Pension Fund.

As a War Effort our Company continues to co-operate wholeheartedly in making a success of each of the Victory Loan Campaigns and in the sale of War Savings Certificates. You will be pleased to learn that just a year ago the Chairman of the War Finance Committee, who had called representatives of the Trust Companies to Ottawa, to deal with War Finance, paid special tribute to our Company for the work it did in the two Victory Loans of 1942. Let me give credit for the results attained to the splendid support of a great many of our shareholders, who are also depositors, and who take pride in our Company's affairs. As a result of the continued support of our shareholders in the two Victory Loans of 1943, we were able to do even better than in the year before.

In War Effort our country has played a notable and inspiring role, in creating in unbelievable quantities those things necessary for the defeat of the enemy. In total war the battle of production is the most important of all, and Canada played a notable part in the winning of this battle. Credit for the magnificent work done by Canada in aid of the Allied Cause has been given by all the other members of the United Nations. As a recognition of this, I would refer you to the February 12th issue of that prominent American publication, The Saturday Evening Post, in an article headed "The Little Ships that Saved the Day." If you haven't read this article I would suggest that you do so. It will thrill you with pride in being a Canadian. It is the story of the Canadian Corvette, which is given the main credit for the defeat of the German U-boats, and the keeping of the supply lines open.

Ottawa learned very many things from the last War and is endeavouring that mistakes made then be not repeated. Canada financed her war effort in the First World War through the issue of 5 and 5½% tax free bonds. Towards the end of the war an Income Tax was enacted as a temporary measure. Huge profits were permitted to be made out of the war effort, and the country suffered from a decided inflation with its very serious after effects in the years that followed the war.

The present war is being financed at 3% interest, and lower, and all income is very heavily taxed. As a matter of fact, corporations are obliged to pay 100% taxes on all earnings above normal. In the matter of personal income tax a sliding scale is in effect which goes to almost 100% on very large incomes. In addition the Dominion Government seems to be exploring all avenues, seeking revenue and has now entered the Succession Duty field. These Succession Duties are now being collected by both the Dominion and Province, so it is little wonder, in view of the heavy Income Taxes and the double Succession Duties that many persons feel that industry and thrift are being unduly taxed. Instances are frequently cited to prove this. However, I believe it is our right to expect when the war is over and sanity returns to this world that inequalities will be quickly remedied. On the other hand, I believe all credit must be given Ottawa for its splendid effort towards holding inflation in check. The curb on inflation will greatly assist us to sustain our War Effort and will, to a considerable degree, make the period of transition after the war less difficult. It is therefore, my earnest hope that the effort to prevent inflation will not be relaxed.

You will remember that I referred in my report last year to the great importance of the Mining Industry, and it is with a good deal of pleasure I notice the appointment by the Government of the Ontario Mining Commission to study this most important matter, which Commission is under the Chairmanship of Mr. Norman C. Urquhart, an outstanding and well-known business man of this city.

We have always had a good banking system in Canada, as is evidenced by the record, but since the last War by the forming of the Bank of Canada, which controls the policies of the privately-owned banking institutions, the already good credit structure, which we had, was so strengthened that today there is nothing better in the world. Our banking strength in this country has been based on keeping it free from politics, and we must continue to do this as we will need a strong, tried system for the post-war period. We have now in Canada many recognized political parties, all trying to sell their wares to the people. Let us beware that we do not make the mistake of voting ourselves into the hands of a political group who promise falsely to make us a master race if we but give them the ironbound authority to do their will. Ponder on these words of Churchill—"We must beware of trying to build a society in which nobody counts for anything except the politician or official—a society where enterprise gains no reward and thrift no privilege."

Experience is the great teacher. Let us examine the history of the varied forms of Government of gone by times Compare the old civilizations around the Mediterranean, of Europe and Asia with their centuries of history and their varied forms of Government with those of Canada and the United States and you will get the answer. Canada and the United States have attained in their short national lives under democratic form of government the highest standard of living for the average citizen that the world has ever known—both freedom loving people and self-reliant where enterprise, industry and thrift have their rewards. I believe that the great majority of Canadians will wish to continue the political structure which has done so well by us, rather than try other forms of Government, which have been tried in other countries and found wanting.

The Ontario Government is making, in my opinion, some notable contributions for the post-war period. I understand that they propose to make changes in our school system. I hope that the teaching of the fundamentals of good government is one of the things that will be put into effect in all the schools throughout the Province. Unfortunately a good many of our grown-ups do not seem to realize that all governments from that of the smallest municipality upwards, depend for their solvency on what they can take from the pockets of the people. Let this be taught in our schools. Also, that there is no witchcraft or black magic about any form of government, although some of our politicians would like to create that impression should the magic wand of authority be voted to them.

It is now recognized that the school period of life is that vital impressionable period in which the habits of life are formed. Look at the great evil Hitler did with the youth of Germany in such a short time. Let us in Ontario apply the same for good. As a tangible suggestion, let each school study the affairs of the municipality in which it is located; where the income of the municipality comes from and how it is expended; that you cannot have representative government unless everyone who is eligible votes; that public affairs must be kept public.

I have no doubt that if this work is well done in the schools of Ontario, that our youth of today, when they come to exercise their franchise tomorrow, will do it with intelligence and treat it as an obligation, and that in a short time that anyone who does not vote will be treated as one shirking a duty. The recent Toronto civic election, with all the publicity and pressure of our Board of Trade, only brought out a 50% vote—a great improvement over the year before—but still far short of what should be.

These are unusual times and the future only will tell the story, but I have a feeling that Ontario, through teaching the fundamentals of government in our schools, will have made a real contribution. In the words of Abraham Lincoln "that government of the people, for the people, by the people shall not perish."

I move the adoption of the 37th Annual Report.

In seconding the motion to adopt the report, the General Manager, JOHN J. GIBSON, said:

The 37th Annual Report of your Company, which is presented to you today, continues to reflect the strong position which the Company has attained and its steady progress. The net earnings of the Company for the year 1943 amounted to $128,855.77, a slight increase over the previous year. After appropriations of $44,000 for Dominion income taxes, $6,611.63 for depreciation and $12,717.52 contribution to the Staff Pension Fund and the payment of $40,000 in dividends during the year, the balance was brought forward to Profit and Loss Account, which at the 31st of December, 1943, amounted to $133,843.81, an increase of $25,526.62 over the amount at the credit of Profit and Loss at the end of the previous year.

As in the past your Directors have continued their conservative policy of providing adequate reserves to cover possible losses which might arise in the uncertain future. These reserves continue to be substantially in excess of our Auditors' requirements, and the values of the Company's assets as shown on the Balance Sheet are at figures considerably below their market values at December 31, 1943.

During the past year, our Trust Deposits increased approximately $500,000.00 in spite of large withdrawals in connection with the Victory Loans. The Company's holdings of Dominion of Canada and Province of Ontario Bonds were maintained at a high level, being in excess of two million dollars. The percentage of liquidity of Trust Deposits, according to the standards set by the Province of Ontario, rose to 102.67%. The liquidity is actually much higher than this percentage as the Company has substantial holdings of quickly marketable corporation bonds and stocks as well as bonds of municipalities outside the Province of Ontario and bonds of sister Dominions.

The Company and the entire staff have continued to give their full support to the War Finance Committee in every way possible and our staff's subscriptions to the Fourth and Fifth Victory Loans exceeded the quotas which were set.

You will note that our provision for Dominion income tax is in excess of the amount paid in dividends to our shareholders, and you are aware that those dividends are again taxable in the hands of the shareholders. In these days when the sacrifices of others are so much greater than any sacrifice we are making. I make no complaint of high taxation, whether corporate or personal, so long as such taxation is imposed fairly; so long as none escape their fair share and none are unfairly burdened. Of recent years, certain amendments to the Income Tax Act, and more particularly new rulings made by the Department, have proved very onerous to certain estates and trusts. Probably the amount of additional revenue raised is not very great, but the burden falls largely on those who have difficulty bearing it.

Estates Taxation

I have particular reference to estates and trusts of moderate size, say $40,000.00 or $50,000.00. These estates have usually been accumulated through thrift as well as enterprise. If we are still to maintain a form of society where enterprise gains some reward and thrift some privilege, such estates should not be unduly penalized.

When making his Will, a man's first concern usually is to provide for the maintenance and education of his children until maturity, and the maintenance of his wife for her lifetime. If he gives his estate to his wife outright, it may soon be dissipated through ill-judged expenditures or unfortunate investments. Even though his wife may be competent to administer the assets at the time of the making of the Will, there is no assurance that she will continue to be competent for all her lifetime. The normal method of protecting his dependents is for the testator to choose a competent corporate Trustee and give his estate in trust to pay his wife an annuity of a definite amount, or the income from the estate and so much of the capital as may be required from time to time. In these days of low interest rates, an estate of $50,000 probably will not yield sufficient income for the widow's maintenance and recourse must be had to the capital. Surely it cannot be contrary to public policy for a man to order his affairs so that his wife and children will not become a public charge. One would think legislation would be framed to encourage him. Under the Income Tax Act, he is not encouraged.

If he provides an annuity for his wife, the whole annual payment is subject to income tax, even though a considerable portion of it is paid out of capital. Under a recent ruling even payments of capital made in the discretion of the Trustee are deemed to be taxable income in the hands of the recipient. If revenue producing real estate is held by an individual or a corporation, reasonable depreciation is allowed as a deduction from the gross income before imposing income tax, but if real estate is held for a Trust where there is a life estate, no depreciation is allowed to anyone. If mining stocks are held for a trust, no allowance is made for depletion as in the case of other owners. If a trust purchases bonds at a premium, the Trustee must amortize; that is, apportion the interest, and credit a sufficient portion to the capital to restore the amount of premium so that at the maturity of the bond, he will have his capital intact. Under a recent ruling, the portion so credited to capital is subject to income tax as capitalized income in the hands of the Trustee.

One might fairly say that for some years past the Income Tax Department has been "sniping" at estates. Casualties from sniping may not be large, but the wounds are very painful to those who are hurt.

I am pleased to report that our Company was fortunate in being able to engage the services of Mr. Edwin M. Henry, who joined the staff of our Estates Department last August. Mr. Henry was previously a solicitor in the Office of the Official Guardian and I am sure will be of great assistance to us.

I wish to pay tribute to the members of our staff who have given their lives in this conflict for their King and Country and for the preservation of the liberties that we all enjoy:

Flight-Lieut. Douglas Morris
Flight-Sergt. Herbert Copeland
Flight-Lieut. Paul Sargent

It has been our privilege to have been associated with them.

I have much pleasure in seconding the Motion to adopt the Annual Report.

CHARTERED TRUST AND EXECUTOR COMPANY

34 King St. West, Toronto — 132 St. James Street West, Montreal, Quebec

BOARD OF DIRECTORS:

President, ROLPH R. CORSON; *Vice-Presidents*, JOHN J. GIBSON, LL.D., COL. K. R. MARSHALL, C.M.G., D.S.O.; STEWART G. BENNETT, Toronto, Ont.; LIEUT.-COL. JOHN H. CHIPMAN, M.C., V.D., Toronto, Ont.; A. L. ELLSWORTH, Toronto, Ont.; ALEX. B. GORDON, Toronto, Ont.; C. G. GREENSHIELDS, K.C., Montreal, Que.; JOHN D. HAYES, Rochester, N.Y.; GORDON C. LEITCH, Toronto, Ont.; J. MAITLAND MACINTOSH, K.C., Toronto, Ont.; J. A. MARTIN, Kitchener, Ont.; FRANK McLAUGHLIN, Toronto, Ont.; NORMAN J. McLEAN, Toronto, Ont.; GORDON McMILLAN, K.C., Toronto, Ont.; E. K. REINER, Wellesley, Ont.; J. A. SCYTHES, Toronto, Ont.; NORMAN C. URQUHART, Toronto, Ont.; L. F. WINCHELL, Toronto, Ont.; *Secretary*, E. W. McNEILL.

Savings Deposits Show Average Rise of $30

At $421 Compares With $391 the Year Before — Two Thirds of Total in Chartered Banks in Accounts Under $5,000 Each

Almost one third of the total savings deposits in the chartered banks of Canada are held in accounts of $1,000 or less, according to a break down of their deposits made by the banks to the minister of finance chartered as at Oct. 31, 1943. More than two thirds of the total savings deposits are in accounts of $5,000 or less.

The figures submitted by the banks and published by the Bank of Canada show total savings deposits on the date mentioned amounting to $1.9 billions in 4.6 million accounts, an average of almost $421 compared with an average of $391 the year before, an increase of $30 for the year despite the flotation of two victory loans.

Demand Deposits

Demand deposits on the date of the return totalled 738,300 accounts with total deposits of over $1.8 billions or an average of a little more than $2,474 compared with an average of $2,240 on Oct. 31, 1942.

The number of savings depositors increased by 292,400 during the year, while demand deposit accounts increased by 18,500.

Total of 5,400,000 Accounts

If the total number of savings and demand deposits are taken together, the total is 5,400,000 accounts with deposits of $3,788 millions or an average of over $701. The year before, there were 5,089,500 accounts with an average of $651.

Thus the number of demand deposits is less than one sixth the savings deposits, but their total value is almost equal to total savings and almost 50% of the total.

The average demand deposit is about six times the average savings deposit. Savings deposits to a large extent represent the savings of individuals. Demand deposits represent largely the deposits of business concerns.

Change in Proportion

During the war years, there has been a substantial change in the proportion of demand deposits to the total. For example in 1938, the year before the war started demand deposits at $749.4 millions were 31% of total deposits and less than half as large as savings deposits. In 1939 the first year of the war, they were about 32.5% of the total. But in 1943 demand deposits were a little over 48% of the total.

The accompanying table shows that while savings deposits rose about 14% in the five years from 1939 to 1944, demand deposits more than doubled.

Among the savings deposit accounts, only 700 are shown as having deposits over $100,000 while there are 2,000 demand deposit accounts which have over $100,000.

Comparative items for the last five years follow:

ANNUAL CLASSIFICATION OF DEMAND AND NOTICE DEPOSITS

As at Oct. 31	NUMBER Thousands 1943	1942	1939	AMOUNT Millions of Dollars 1943	1942	1939
Demand Deposits:						
$1,000 or less	611.9	616.5	614.0	132.7	118.5	89.0
$1,000 to $5,000	94.3	77.2	53.1	202.0	163.5	109.2
$5,000 to $25,000	25.0	20.0	13.0	252.2	201.7	132.4
$25,000 to $100,000	5.1	4.5	3.0	240.3	213.6	142.0
Over $100,000	2.0	1.7	.9	983.6	895.6	341.2
Adjustment items	...	...	...	+16.0	+16.2	+7.8
Total demand deposits	738.3	719.8	684.1	1,826.8	1,609.1	821.7
Notice Deposits:						
$1,000 or less	4,280.4	4,055.0	3,828.3	617.3	534.6	454.9
$1,000 to $5,000	342.8	280.6	290.2	671.1	548.8	588.2
$5,000 to $25,000	35.8	31.2	40.0	308.9	271.4	348.9
$25,000 to $100,000	2.4	2.2	2.8	105.4	98.9	123.3
Over $100,000	.7	.7	.6	250.8	247.8	190.1
Adjustment items	...	...	...	+7.7	+7.2	+3.7
Total notice deposits	4,662.1	4,369.7		1,961.2	1,708.7	1,709.2

Company Reports

Monarch Knitting

Years Ended Dec. 31:	1943	1942
Earned per share pfd.*	$8.70	$16.92
Paid	7.00	7.00
Earned common	1.01	5.83
Paid	nil	nil
Working capital	$1,078,431	$1,008,768

*Based on net profit after deduction of depreciation reserve and tax provision.
(Comparative 1942 figures bracketed).

Net 1943 profits of $65,281 ($126,482) are reported by Monarch Knitting Co., after deduction of $175,970 ($151,054) for taxes and $50,000 ($50,000) as reserve for depreciation. J. A. Burns, president, told shareholders that standard profits have now been established by the Board of Referees, and the amount provided for taxes calculated accordingly. Labor shortage accounted for a reduction in volume of business below the previous year, it was stated.

Inventory was down at Dec. 31 to $464,622 ($643,017). Dominion of Canada bonds held totalled $404,800 ($104,800). Refundable portion of EPT, including adjustment for 1942 amounted to $43,114 ($10,370).

Imperial Tobacco

Years Ended Dec. 31

	1943	1942
Net profits	$5,722,092	$5,796,754
Earned on common	0.55¼	0.56
Paid on common*	0.40	0 40
Working capital	18,937,523	10,771,416

*Plus extra of 15c. in 1943; 17½c. in 1942.
(Comparative 1942 figures bracketed).

Imperial Tobacco Co. of Canada's financial statement for 1943 shows earnings at about the same level as in 1942. The balance sheet reveals marked expansion in holdings of cash and Government securities, together with elimination of a $3,677,000 bank loan reflecting the debenture financing arranged by the company in the course of the year.

Balance sheet shows aggregate of cash and Government bond holdings at $3,773,000 ($306,821). Inventories have risen to $22,213,000 ($20,273,779) and investments in subsidiaries to $27,220,143 ($26,491,761). Against the elimination of the bank loan, the company showed outstanding $10 millions of debentures.

Third Canadian General

Year ended Dec. 31:	1943	1942
Earned per share	$0.199	$0.173
Paid	0.175	0.155
Net assets per share	3.61	2.93

(Comparative 1942 figures bracketed)

Third Canadian General Investment Trust Ltd. reports net profit of $130,514 ($113,060) for the year ended Dec. 31, 1943, after deduction of $3,200 ($2,871) for taxes. Net profits amounting to $25,600 (37,106) were realized on securities sold and redeemed, and the amount added to capital surplus distributable account, which now stands at $868,798 ($843,198). The sum of $3,385 ($3,965) was appropriated from dividends earned during the year on stocks of producing mines. Reserve for mining investments now stands at $7,350 ($3,965). Marketable securities held by the company had a book value at Dec. 31, 1943, of $1,744,409 ($1,668,474). Market value of these securities was indicated as $2,298,899 ($1,837,300). Book value of other securities was $23,350 ($11,250).

On the basis of market values at Dec. 31, 1943, major type of investment held was preferred shares, which accounted for 41% (41.9) of the total. Increases were recorded in holdings of bank and trust company shares and common shares, with decreases in cash, bonds and debentures. Canadian investments continued to predominate, forming 98.6% (97.6%) of the total. Chief investments according to nature of enterprise were in financial and investment companies, 20.8% (19.5%), and manufacturing companies, 27.2% (29.4%). Canadian Government and municipal bonds and guarantees were 1.3% (2.6%) of the total. Chief increases over 1942 were in gold mining, merchandising, pulp and paper and utility holdings.

Bond Holdings Show Decline

Bank of Canada Total Assets Are Slightly Higher — Circulation Up

Total investments of the Bank of Canada are slightly lower according to the statement for the week ended Feb. 16, 1944. Holdings of sterling were down, but miscellaneous assets, including cheques not yet cleared, were higher. Accordingly, total assets showed a small increase.

On the liability side, not circulation had a small seasonal gain and deposits were slightly higher. Miscellaneous liabilities, however, were lower.

	Feb. 16 1944 $	Feb. 9 1944 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	894,587,621	863,601,040
Rest fund	8,041,601	6,472,953
Deposits: Dom.	40,763,542	40,122,485
Chartered bks.	355,618,655	338,434,910
Other	13,992,706	19,760,665
Total deposits	410,374,903	398,318,060
All other liabs.	7,518,728	21,246,917
Total liabs.	1,295,522,853	1,294,638,970
Assets		
In Sterl. & U.S.	320,682	436,382
Subsid. coin	554,878	516,493
Investments:		
Dom. gov. sh.	788,108,474	791,912,338
Oth. Dom. gov.	489,259,341	486,482,601
Total invest.	1,277,367,815	1,278,394,939
Premises	1,972,117	1,970,102
All other assets	15,307,363	13,321,054
Total assets	1,295,522,853	1,294,638,970

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SHAW BUSINESS SCHOOLS

In Your Opinion

What About Teachers' Salaries?

The Question: Are teachers' salaries adequate? What minimum would you suggest?

E. R. Adair

Professor of History, McGill University, Montreal.

Teachers' salaries are inadequate. It is impossible to state a minimum in figures because this varies according to the cost of living in different parts of Canada and between town and country, but it should at least be as much as the salary of a good stenographer or clerk and should advance so that teachers may have the same opportunities as those in other professions—lawyers or doctors, for example. This applies not only to teachers in schools, but also to those in universities where, considering the responsible work that is expected from them, the salaries paid are often a disgrace to Canada.

• • •

Marjorie Bell

Visiting Homemakers Association, Toronto.

As the teaching profession has a greater opportunity than any other to influence the development of Canadians, the salary should be such that it will attract the most able men and women. The average salary in Canada is too low to assure a sufficient number of teachers of the type we need. Salaries should be raised as at present they do not indicate that a value is placed on the profession by the community. The carefully considered recommendations of the Canadian Association of Teachers should be adopted.

• • •

Dr. W. E. Blatz

Professor of Psychology, and Director of Institute of Child Study, University of Toronto.

Wages of teachers must be on even terms with industry. Men and women of equal intelligence and training should not be discriminated against in the choice of profession by monetary disadvantage. This presupposes the raising of the standard of entrance requirements for the teaching profession.

• • •

Dr. M. A. Cameron

Dept. of Education, University of British Columbia, Vancouver, B.C.

Teachers' salaries in most Canadian communities are insufficient to attract and retain an able and well-trained personnel. I consider a minimum salary of around $900 per year sufficient for an inexperienced normal school graduate without a university education, especially if normal school fees are small and bursaries are available. The minimum is not as important as a salary schedule with regular increments based on training and experience which would assure prospective teachers of a reasonable standard of living and good opportunity for their children in rural areas. Improved administrative units are necessary for satisfying professional work.

• • •

J. D. Ferguson

Editor, Optimist, North Battleford.

For a long time the salaries of teachers in Saskatchewan, more particularly in the rural areas, have been disgracefully low. In recent years there has been a slight increase throughout the province and a legal minimum of $700 has been established but they are still much below what they should be. This is particularly so when one considers how much time and expense there is in securing the knowledge necessary adequately to instruct the young.

I understand that the Teachers' Federation of Saskatchewan is advocating raising the minimum to $1,000 which amount appears reasonable.

• • •

B. O. Filteau

Deputy Minister of Education, Quebec, Quebec.

Since a teachers' salary increase is now under consideration by the proper authorities, I feel duty bound to refrain from any personal opinion.

• • •

Arthur Fontaine

Le Canada, Montreal.

Teachers' salaries should be increased substantially—to how much depends on costs of living and their surroundings.

• • •

E. S. Hudson

Editor, The Banner, Listowel, Ont.

Teachers' salaries are not adequate and never have been but better salaries are being paid now than several years ago when the writer taught a rural school. Teachers in towns and cities are now receiving a better rate of pay, but teachers of rural schools need a considerable boost as their salaries are altogether too low. Considering training costs and the higher cost of living, teachers today should receive a minimum salary of at least $1,000.

• • •

C. E. Little, K.C.

Secretary of the Saskatchewan School Trustees Association, Regina.

Teachers' salaries have improved here during war years but are still inadequate, excepting for urban centres, and do not compare favorably with those of war workers and federal government employees. I would suggest a minimum salary of $1,000 for fully qualified teachers, but such a minimum could not be paid in many rural districts while school revenues depend so largely on local land taxes. Extreme variations in price and crop conditions make such revenues too uncertain. In unfavorable years teachers' salaries cannot be paid. It is impossible to build up the desired teaching personnel under such conditions.

• • •

A. R. Lord

Principal, Provincial Normal School, Vancouver.

There are two distinct groups of teachers in every province—those, chiefly women, who are teaching as a stop-gap, and those who have chosen it as a career. In my general salary scheme this fact must have recognition. As in any other profession financial rewards should arrive only after several years of successful practice and should then continue to increase for a considerable time. This suggests a comparatively low initial salary—possibly $900—adjusted to fit the cost of living, followed by small increments for five or six years. Those who remain will probably teach permanently and should receive considerably larger annual increases for a further eight or 10 years. Obviously present salaries are in most cases inadequate.

• • •

Helen Gregory MacGill

Judge, Juvenile Court, Vancouver.

Teachers' salaries are totally inadequate to the importance of their work. The future of a nation is shaped by the education of its youth. Yet today many rural districts offer their teachers less than is paid much unskilled labor. Poor municipalities will undoubtedly need government-granted assistance. We should be enabled to offer the teaching profession sufficient reward to attract persons of ability, capable of educational leadership, to an honorable career, undistracted by small financial worries. The $1,200 annual minimum suggested should be accompanied by cost-of-living bonus. Whatever scale be fixed should not be based on sex, but on work required, and should be applicable both as to salaries and advancement opportunities equally to men and women teachers.

• • •

Dr. Fletcher Peacock

Director of Education for New Brunswick.

Teachers' salaries are certainly not adequate. In certain provinces and in most rural areas they are pitifully inadequate. It is impossible to name an absolute fixed minimum that would be satisfactory throughout the nation because of variation of wealth concentration and cost of living in different parts of the country. The Canada Newfoundland Survey Committee of 1943 recommended a median salary for Canadian teachers of $1,321.

• • •

Dr. W. P. Percival

Deputy Minister of Protestant Schools, Quebec, Que.

The present shortage of several thousand qualified teachers throughout the Dominion proves that strong measures are necessary to attract people to the teaching profession. The supply of men teachers is particularly inadequate. These are not only wartime conditions for the demands have exceeded the supply for several decades. Sound scholarship, good character, personal magnetism, leadership qualities, sympathetic understanding of youth and high professional skill are required to show that teaching is a highly selective calling. Yet average wages of relatively unselected persons in industrial occupations are nearly $300 higher than teachers. Salaries must be raised considerably if the right type of person is to be induced into the teaching service. Minima should be named, but these will vary in the provinces and according to the grade of diploma held.

L. J. Robichaud

Chamber of Commerce, St. Johns, P.Q.

I believe Quebec teachers to be distinctly underpaid, particularly outside Montreal. An upward revision of about 25% would attract better talent and turn out better students. It is impossible to mention a minimum as so much depends on location and qualifications. In rural districts I believe that $50 per month should be the absolute minimum.

• • •

Robert Raynault

Publisher, La Ferme, monthly agricultural magazine, Montreal.

In Quebec we would suggest an early minimum salary of $600 for teaching in the country. Teachers will prepare themselves in a better way for teaching duties. More candidates would allow better selection. Those selected would improve their teaching, remain on the job, make a career of it. The rural population would look more appreciatively on teachers and their task. Farmers would keep their children longer in school. Quebec has much to do along that line.

• • •

Doris B. Saunders

Assistant Professor of English, University of Manitoba.

Teachers' salaries are most inadequate. Few of those best qualified choose teaching. Other professions offer more attractive salaries. Enrolment in one faculty of education has dropped from 50 to 10. Of course the war is a contributing factor, but present salary schedules do not attract the keen, intellectual students. There should be some monetary compensation for the hardships endured even willingly in some rural districts. Material encouragement should be given to young teachers so that their professional standing would suggest a minimum of $1,200.

• • •

George W. Robertson

Secretary of Sask. Wheat Pool, Regina, Sask.

Present salaries paid to teachers are quite inadequate. The present teacher scarcity is probably the aftermath of a recent period when teachers, supervisors and instructors at teacher training institutions were underpaid, and in many cases when teachers went unpaid. In education, as in most other things, we get what we pay for. A reasonable salary schedule with a minimum of $1,100 to $1,200 per annum, and providing regular increases for experienced and advanced academic and professional standing is necessary to attract the right type of student to adopt the teaching profession as a life work. Conscientious service in the instruction and leadership of Canadian youth is entitled to adequate remuneration.

• • •

L. A. Taschereau

Former Premier of Quebec, Liberal, Quebec City.

Salaries are inadequate for male teachers. I think it is impossible to fix a minimum as all depends on local conditions and circumstances, whether urban or rural. Salaries should be such as to make the profession attractive and permanent. In many rural communities such a result can only be obtained with substantial government assistance. Public opinion is certainly favorable to better terms for the teachers.

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January Adds To Nfld. Surplus

Net surplus of $804,824 is reported by the Government of Newfoundland for the month of Jan., 1944, as compared with surplus of $754,825 for Dec., 1943 and $108,949 for Jan., 1943. Revenue of $2,254,583 is shown for Jan., 1944, against $1,937,427 in Jan., 1943, and expenditure of $1,449,759 against $1,828,478.

For the period April 1, 1943, to Jan. 31, 1944, net surplus of $4,807,170 is shown, against $6,481,563 in the same period of 1942-43. Revenue for the period ended Jan. 31, 1944 totalled $23,303,962, against $23,191,878 for the 1943 period, and expenditures totalled $18,496,792, against $16,710,315. Debt charges totalled $3,823,081 against $3,695,029.

CDS Securities Net Position is Bettered

Consolidated Diversified Standard Securities Ltd. reports that at Dec. 31, 1943, net asset value of the company's preferred stock was $21.50 a share. This compares with $17.46 a share at the end of the preceding year.

Net earnings per preferred share during 1943 totalled 83 cents, as against 78 cents in 1942.

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GENERAL TRUST OF CANADA
112 St. James Street - MONTREAL
STATEMENT AS AT DECEMBER 31, 1943

ASSETS

Capital Account:	
Total assets of the Company	$ 1,539,764.91
Guaranteed Accounts	1,903,016.42
Estate, Trust and Agency Accounts	53,093,947.32
Safe Custody Account	42,630,202.34
	99,166,930.99

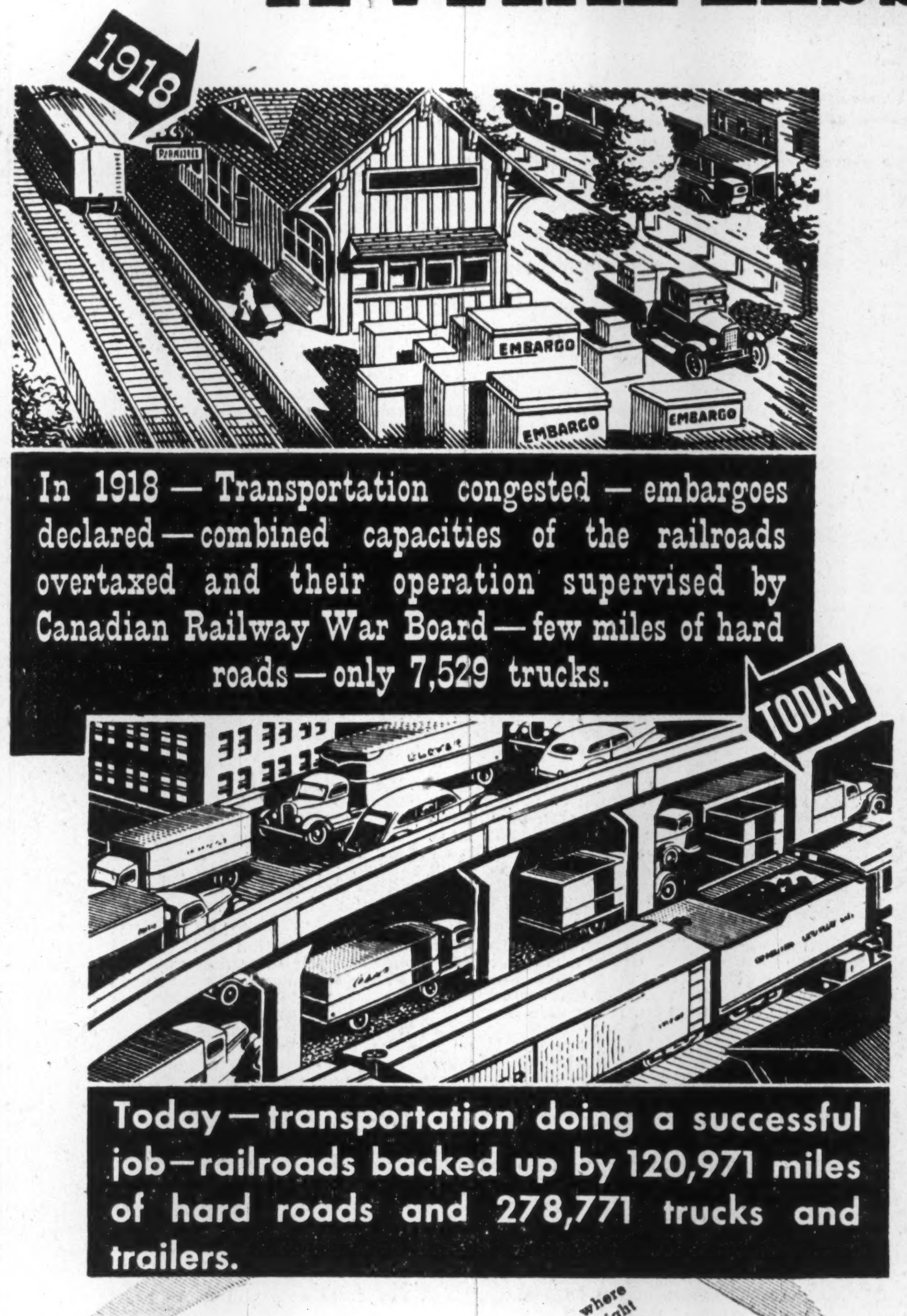
LIABILITIES

Capital Account:	
Accounts payable	161,987.74
Reserves	60,898.66
Profit and Loss Account	211,878.51
Capital Stock	1,105,000.00
Total	1,539,764.91
Guaranteed Accounts	1,903,016.42
Estate, Trust and Agency Accounts	53,093,947.32
Safe Custody Account	42,630,202.34
	99,166,930.99

PROFIT AND LOSS ACCOUNT

BALANCE January 1st	208,897.42
PLUS:	
Net Profit for the year	57,981.09
	266,878.51
LESS:	
Dividends	55,000.00
BALANCE, December 31st	211,878.51

A VITAL LESSON from World War I.
This Nation must NOT FORGET



Highway transportation grew from practically nothing to where it is today in the past 25 years. Trucks and Trailers and freight terminals were bought out of earnings. Today heavy wartime traffic is rapidly burning up the equipment so laboriously acquired. At the same time, because production of civilian trucks and Trailers was stopped in 1942 and only a few have been built since, carriers are in danger of being put out of business.

Trucks and Trailer manufacture should never have been so drastically curtailed. It is as necessary to provide transportation of war products as it is to provide production—and we did not curtail production.

What happened in World War I?

Freight embargoes were imposed. The combined capacities of the railroads were overtaxed.

Why hasn't it happened in this war?

One of the main reasons is that Canada has a $500,000,000 highway transportation system to supplement and relieve our railroad —a system which was practically non-existant in 1918. And its importance is emphasized when we consider that today Canadian railroads have 27% fewer locomotives and 26% fewer freight cars than they had in World War 1.

But — we can't be complacent.

The last war proved that "it can happen here." It could happen again — if highway transportation broke down.

How could it fail?

Trucks and Trailers do wear out . . . and due to lack of replacement vehicles, repair parts and mechanics, the number laid up is unusually high, seriously affecting the movement of war freight and causing the operators heavy financial losses.

A serious situation.

Highway transportation is virtually under Dominion Government control, because vital policy decisions affecting equipment and operations have been removed from management and are controlled by the Federal Government. Under the peculiar Federal control over highway transportation, freight rates have been frozen while the operators' costs have skyrocketed. Most transport operators are losing money. And continued losses are one of the surest ways in which highway transportation can be destroyed.

The answer is a simple one —

Unshackle motor transport by:

1. Establishing a sound program so that an adequate number of replacement vehicles—and, of course, repair parts—are built and delivered to essential haulers.
2. Deferring from military service experienced men in the operating and maintenance fields of essential motor transport.
3. Eliminating taxes and fees over and above those required for road building and maintenance, to relieve the financial pressure on the operators.
4. Establishing a rate schedule which would enable carriers to operate on a profitable basis.

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Widespread Industry Backs War Vehicles

Hundreds of Automotive and Parts Plants Prove Vital Industrial Backbone

From hundreds of smaller plants and machine shops across the Dominion, in towns and smaller centres as well as in the larger cities, there flows today an almost endless variety of iron, steel and other products without which Canada's magnificent industrial contribution to the war effort would be critically, perhaps dangerously, slowed.

Here are produced, literally by the hundreds of thousands, parts and materials that are vital to the production of the military vehicles, the ships, planes and tanks, the guns and ammunition, that are being used on practically all the battle fronts today.

Materials Produced

From them pours in profuse but well-regulated variety such prosaic but essential things as forgings, castings, axles, gears, shock absorbers, spark plugs, brakes, wheels, springs, bumpers and batteries. From them come also tacks, screws, bolts in bewildering variety, intricate and interesting devices like radios, windshield wipers, stop lights, ignition assemblies, and from another group all the various textiles that go to make seats soft and floors warm.

This is the automotive parts and materials industry, geared closely to the big automobile manufacturing companies before the war, now producing for the war effort on a scale they scarcely dreamed of before.

Widespread Industry

Contrary to popular belief they are not concentrated in the big industrial centres, or in the automotive manufacturing towns like Windsor and Oshawa, to the detriment and neglect of the smaller centres. Rather they are scattered widely throughout the country, providing a patchwork of local industry and employment, giving these smaller localities a chance to benefit from the greatly enhanced productive activities of the war period.

In 1939, some 16,500 Canadian workmen were employed in 226 such plants. Today the employment figures are much higher.

Ontario and Quebec, the heavily-industrialized section of central Canada, have the lion's share of the parts and materials industry. They exist to a lesser extent in the maritimes and in the west as well. The accompanying map shows how widespread in products and geography is the industry in central Canada.

Thanks to Big Concerns

Canada was fortunate in having a thriving parts and materials industry when the war came along. It has the big automotive concerns to thank for that.

Following a different policy from that adopted by American automobile manufacturing companies, many of which made most of the equipment and accessories they needed in their own subsidiary plants, the majority of Canadian firms got most of their similar requirements from a Canadian parts and materials industry which sprang into being as a result of this policy.

Ready for Action

Hundreds of parts and materials plants, some entirely dependent on the big motor firms for their livelihood, others supplying other manufacturing concerns as well, were soundly established and ready to swing into action when the war call came.

Had it been otherwise, had the large concerns with the war contracts been forced to supply all the needed parts and materials themselves, or had they been compelled to rely on imports from abroad, which would have been almost impossible to obtain, production would have been hampered disastrously.

It is no exaggeration to say that the stream of vitally needed products the parts and materials plants have kept moving to the big plants has enabled the latter to plow full steam ahead in meeting their commitments.

Well Planned Scheme

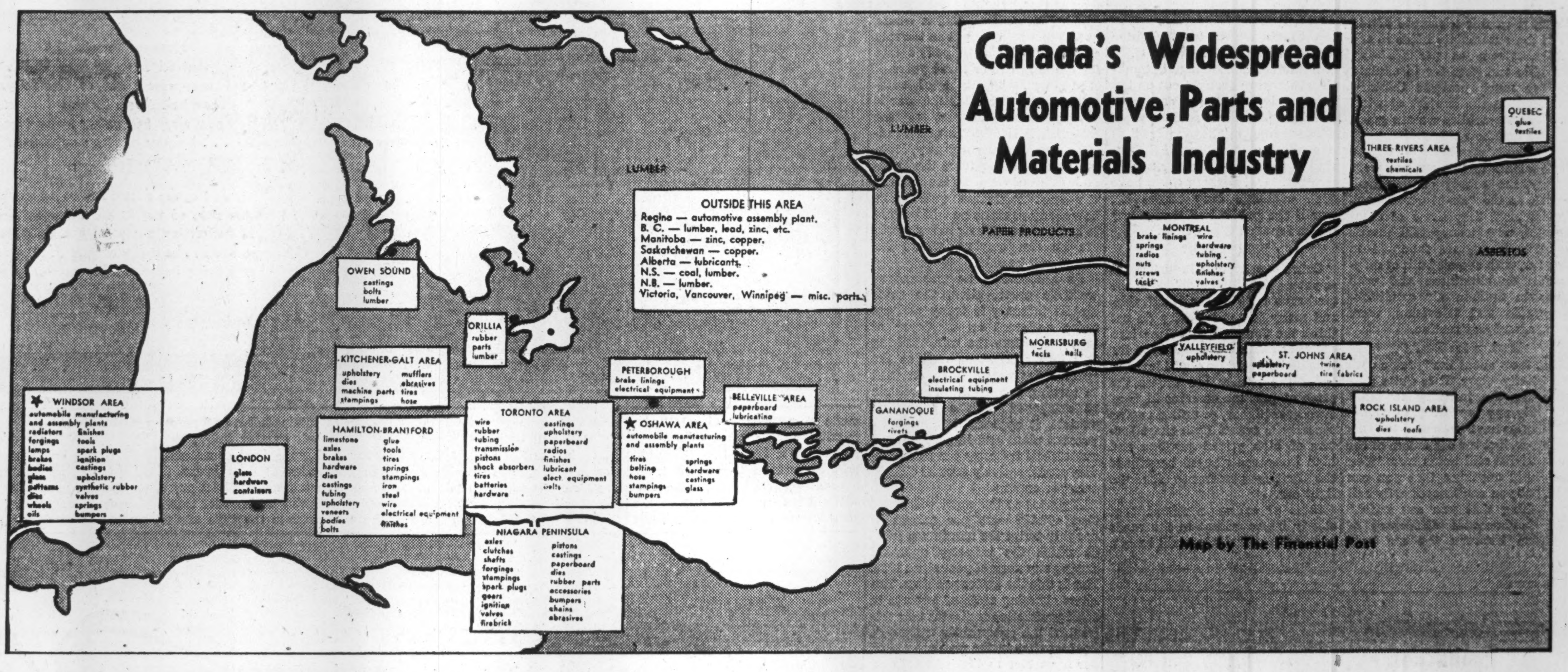
Both DMS and committees organized by the major industrial firms have co-operated in directing a well co-ordinated production scheme, whereby output of the parts and materials plants has been dovetailed into the overall industrial war effort. They determined the needs, told the smaller parts and materials people what was required of them, kept their products moving into the huge war plants, ironed out the kinks and "bugs" as they developed.

Today, parts and materials has become one of the most highly-developed and efficient of Canadian industries. Before the war, they supplied the big automotive manufacturing companies with a great variety of parts and materials. Their activities have grown enormously in the last four years. It has been estimated that their production along regular prewar lines has expanded approximately three times.

Other Construction

In addition to this, they also provide countless parts and materials used in the construction of ships, planes, tanks, guns and ammunition. Many of the vital component parts of corvettes, minesweepers, merchant ships and tankers come from the former automotive parts and materials manufacturers. The same holds true for planes, and offensive weapons such as the 25-pdr. gun, anti-aircraft and anti-tank guns, mortars, machine guns and naval guns.

In ammunition they have done a notable job as well, in helping to produce shell cases, cartridges, fuses, bombs and depth charges. Production by the automotive parts and materials manufacturers has been a vital factor in the flood of war equipment turned out by Canadian industry.



There were some 500 independent manufacturers and suppliers of automotive parts and materials in Canada at the outbreak of war. About 50 of these were solely dependent for their existence on the automobile industry. The rest of them were also dependent in greater or less degree on the automotive industry, although they supplied materials for other industries as well. Any plant interested in steel and non-ferrous metals, rubber, textiles, glass, machine tool, small tool and die-making, mining, lumbering, heavy machining and casting was a potential customer.

However, as one authority remarked, it is true that "many of this large number of companies would not have been able to do such a good war job, had it not been for developments brought about by peacetime automotive production in Canada. One example is the steel mills and development in alloy steels. Another is die and tool engineering and production, to which industry the production of motor vehicles in peacetime has been such a valuable factor."

Interesting figures on the war production accomplishment of the automotive parts industry are available. They were prepared from and based on a questionnaire conducted on behalf of this group of industries.

In one group 31 firms, representative of those who are practically entirely dependent on the automotive industry, are considered. In 1939 from 75% to 100% of their output went to the big automotive manufacturing concerns, with the average about 90%.

500% Increase

The dollar value of their output in 1939 was $32 millions. By 1942, under the impetus of war contracts, this figure had risen to $152 millions, an increase of some 500%. In the same period wages and salaries soared from $8.5 millions to $31 millions. Despite the higher wage rates, increase in production was proportionately much greater than the rise in the payroll.

The number of employees in this group of 31 companies in 1939 was 6,800. In 1942 it was estimated at close to 16,600. Here again increase in production was much higher than the comparable figures for increase in manpower.

Value of machinery and buildings increased from $19.5 millions in 1939 to $37 millions in 1942. Of this new machinery and buildings, $7.5 millions is owned by the companies concerned, $10.5 millions by the government. Of the latter amount $9.8 millions is accounted for by installations in only four of the 31 plants. The reason for this is that special machines were installed for the production of certain essential war equipment, machinery which has no postwar value.

Of the total output of these 31 firms, the government absorbed 90%, either directly or indirectly. In other words the Government, temporarily at least, has displaced the automotive industry as the main market. Taxes paid to either federal or provincial governments during the year 1942 amounted to $14.5 millions.

Another Fine Record

Next to be considered is the wartime progress of some 10 firms, from that group which is approximately 50% dependent on the automotive business for its "lifeblood." It is probably fair to assume that these parts companies could not be operated effectively and economically, either before or after the war, without the market provided by the automotive industry.

Their collective output was boosted from $3.5 millions in 1939 to $15.8 millions in 1942. Wages and salaries went up from $1.4 millions to $4 millions, number of employees from 860 to 2,800.

Investments by manufacturers themselves in new plant and machinery totalled $2.3 millions in 1939, rose to $2.9 millions in 1942, with an additional $747,000 put into this phase of the business by DMS. Here again the government money was spent mainly in only two of the plants, where it provided machines for special war work, and which would have no postwar value whatever to the firms concerned.

Taxes for 1942, out of a total productive value of $15.8 millions, were $2.8 millions.

400 to 500 Others

There are some 400 to 500 other manufacturers, in addition to those mentioned above, who also provide a considerable share of the parts and materials needed by the automotive industry. They are not, however, as dependent on the automotive business as are the two former groups, although the latter does provide them with an important source of revenue.

These figures alone are convincing proof of the vital role performed in the Canadian war effort by the parts and materials industry, a lot of which is either directly or indirectly connected with the automotive business.

Many Localities Benefit

Another point to be considered is the manner in which the automotive parts industry is scattered about the country, in towns and smaller cities, even villages. There it provides employment for workmen in their home towns, helps keep these smaller centres of population alive and thriving, a much healthier economic condition than if it were to be concentrated in the larger cities almost exclusively.

The map on this page shows the locations of the main automotive parts and materials plants. They are fairly well distributed in central Canada, with the heaviest concentration in Ontario, and a sprinkling in the western and eastern provinces.

An Illustration

As an illustration of what the automotive parts industry has done to speed the war effort is the story of the drop forging manufacturers. It is typical of what has been done by other sections of the industry in the war years.

The drop forge industry was dependent for about 80% of its "markets" on the automotive industry itself. Had the automotive industry not been developed to such a high point before the war, with consequent development in the drop forge plants, the latter would not have been available for the important war job they have carried out.

Necessary Parts

Drop forgings are necessary component parts of most weapons of war. On this continent and in Britain, they have been a wartime "bottleneck." The situation would have been much worse had it not been for the firmly established industry in Canada. It would have been impossible to develop it speedily from the ground up, even if government money had been available for this project.

Canada has been able to obtain from the U. S. small quantities of certain classes of drop forgings too large to be produced on any Canadian equipment, but only with extreme difficulty. It would have been impossible to buy in the U. S., or anywhere else, the volume of drop forgings produced in Canada.

Committees Formed

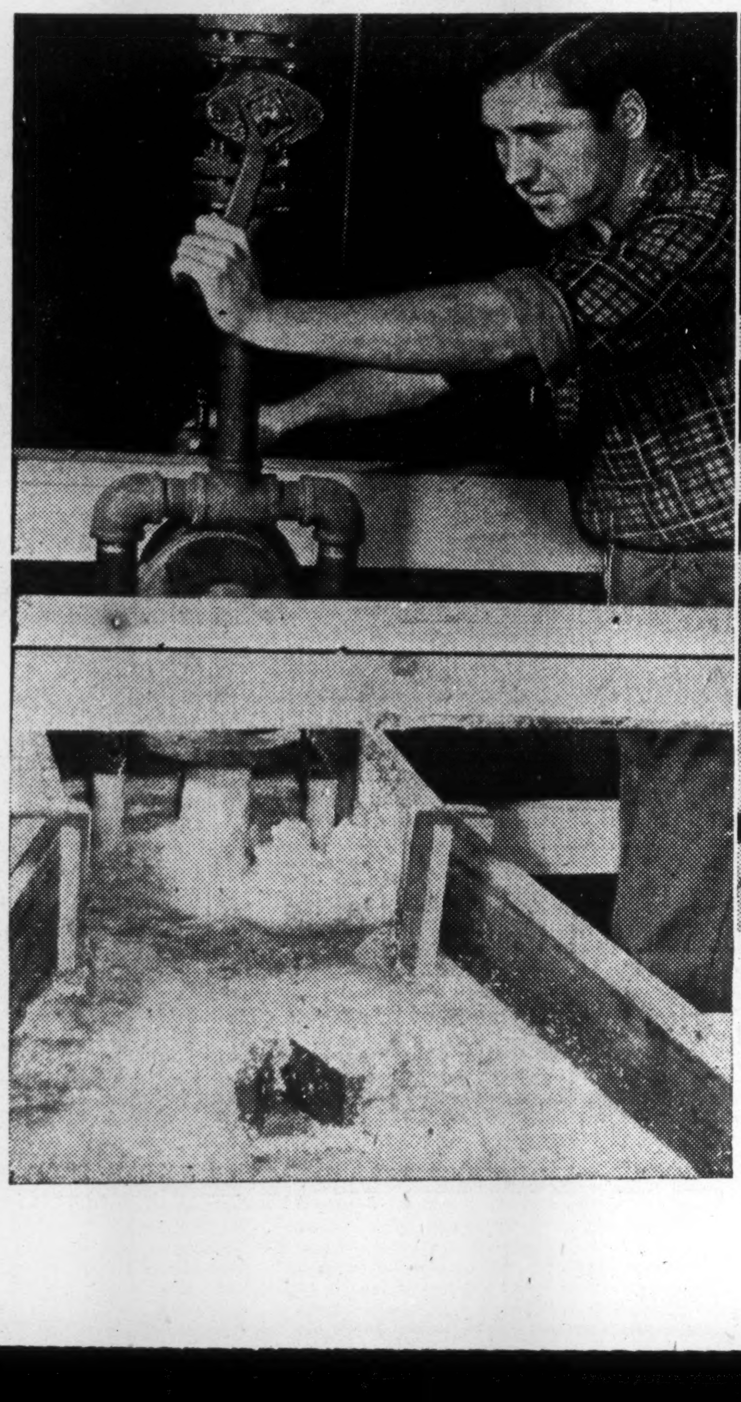
Even with a drop forge industry in Canada, many difficult problems have had to be met. DMS gladly accepted, in 1940, the offer of the industry to form a committee to help solve these problems. The Armament Die and Drop Forge Committee was set up, representing all the drop forging contractors to the automotive industry. Later a second committee, the Drop Forge War Service Committee, was also organized. On it were representatives of all Canadian companies making drop forgings, both steel and non-ferrous, who were in a position to co-operate. These two committees have made it possible to attain maximum production. The two committees, because of their detailed knowledge of each company's equipment and type of forgings they were best fitted to produce, have effectively co-ordinated the allocation of forging production, getting the maximum and most efficient production from the equipment. They have also been responsible for the design of forgings, and have developed competent sources in both Canada and the U. S., for the production of well over 600 sets of forging dies, for which capacity was lacking in Canadian shops.

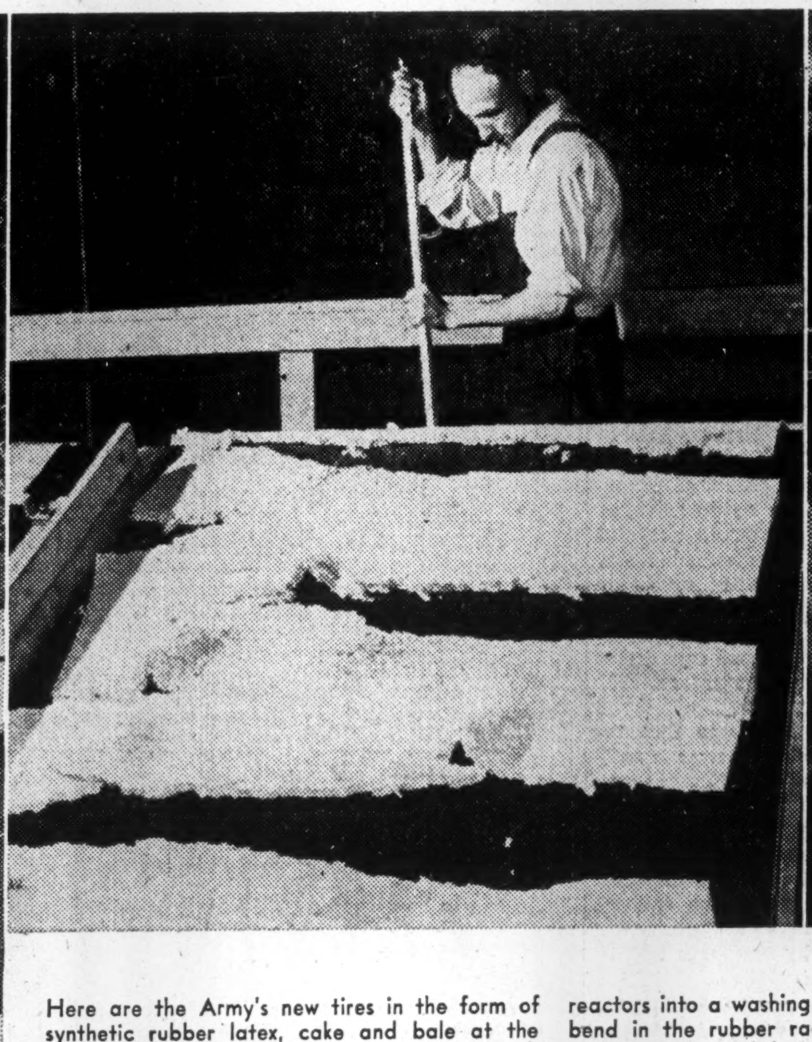
Astounding Progress

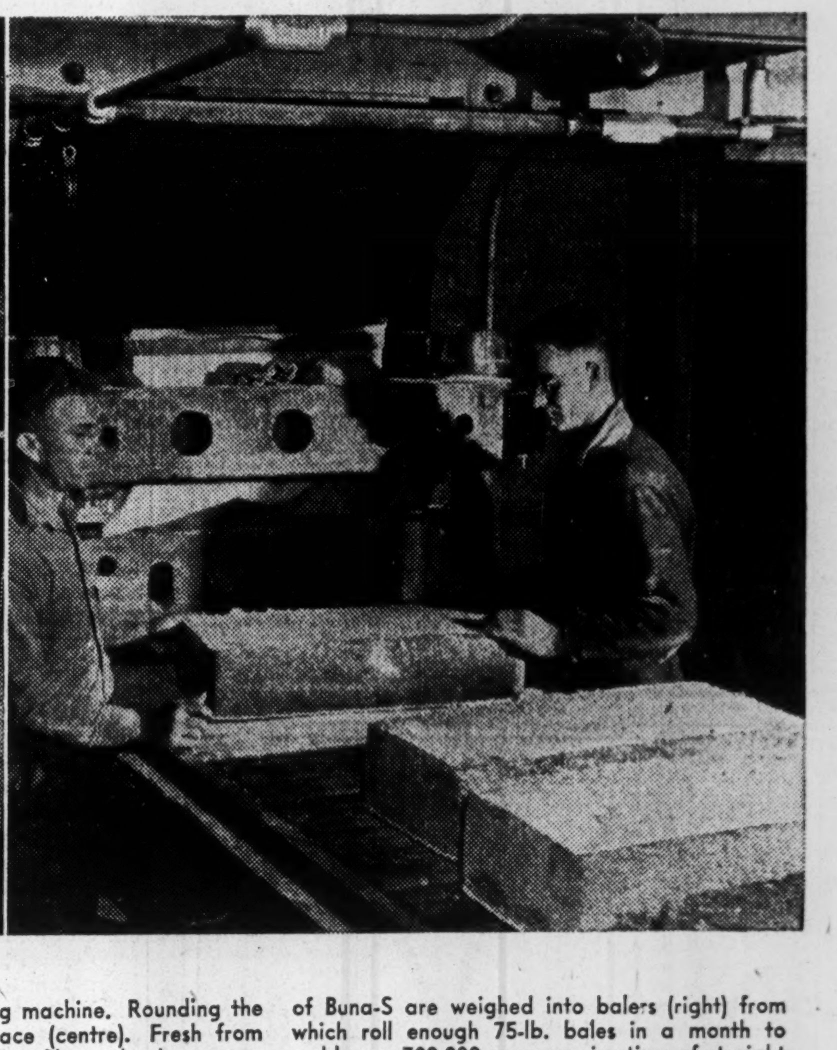
Production proves the astounding progress made. Compared with pre-war years, it is up 450%. One company, for instance, with an average annual pre-war output of 16,000 tons, in 1942 produced over 67,000 tons. In dollars, that meant a boost from $2 millions to well over $9 millions.

Other companies increased their annual production from 5,300 tons to 33,900, from 1,750 to 5,000 and from 529 to 3,600.

What has been done in the drop forge industry has also been accomplished by other parts manufacturing concerns closely connected with and dependent upon the automotive industry.







Here are the Army's new tires in the form of synthetic rubber latex, cake and bale at the Canadian Government's Sarnia, Ont., Polymer Corp. plant. It's Buna-S "latex" — much like the sap from rubber trees — flowing (left) from reactors into a washing machine. Rounding the bend in the rubber race (centre). Fresh from washing and initial drying, filter cake shown goes to tearing mills where it is minced into "puffed wheat" pieces. After final drying the particles of Buna-S are weighed into balers (right) from which roll enough 75-lb. bales in a month to mold over 700,000 average size tires of straight synthetic rubber. Two Buna-S units produce 34,000 tons a year.

Tomorrow's Motor Car

Dream Car Bubble Pricked

As a result of a recent questionnaire, General Foods Corp. found that its shareholders regarded the restriction of gasoline more than four times as irksome a sacrifice in wartime than any other that has been placed on civilians.

This is as fair a sample of the place the automobile holds in the public esteem as perhaps any available and goes far to explain why so much postwar thinking has been on the subject of what kind of automobiles we are going to have and how many.

The first prophets to devote their talents to this subject were largely the school of designers known as the "air-brush" school. The pictures they drew of automobiles, with transparent plastic roofs, with engines mounted in the rear, with chassis built of magnesium or aluminum and with complete built-in air conditioning, radio and television, were tremendously attractive.

Reason for Doubt

The facts about the "dream car" are briefly these. It is quite possible for the industry to build virtually any type of car that the visionaries have been able to draw on paper. But the old axiom of the industrialist still holds true: "You can build anything that you can sell, but you can't necessarily sell everything that you can build." The fundamental difference of opinion between the air brush enthusiasts and the man whose responsibility it is to build and sell automobiles is that the practical men are frankly sceptical whether the public really wants the type of car shown to us by the more enthusiastic postwar planners.

Usually it has been found necessary to add weight to the lighter cars produced in Canada or U. S. In a number of instances automobiles that were brought out on the light weight basis, were later heavied up to boost sales.

The same applies to radical streamlining, mounting of the engine in the rear, and other radical changes. Most of these could have been available long before the war if the public had shown any desire for that type of car.

Will It Sell?

Consequently, the industry has as yet no convincing evidence the air-brush type of car is saleable, and many in the industry do not think the Canadian and American motorist, with his propensity for long distance driving, will learn to favor the lighter car unless the price of gasoline remains high or even goes higher, or unless engine capacity is taxed. Both these factors of high priced gasoline and high taxes contributed heavily to the British preference for the light car.

It is of course admitted that steady improvement in the roads provided for motoring will have a considerable bearing on the outcome, but by and large it is anticipated that the company which turns out too radical a car, would find no real preference for it existed and would experience a heavy loss. Moreover, experience shows that, should one year's model prove unsaleable, it would have a damaging effect on the sale of the particular company's cars for the next two or three years.

But while the type of automobile available after the war is of paramount interest to the motorist, it is perhaps of secondary concern to the industry, looking at the matter from the economic point of view. To the makers, the most important question is how many vehicles he will be able to build and sell, how many workers he can employ, where his wares will be sold.

As a result of its tremendous wartime contribution, the automobile industry is today at least twice as great an employer of labor as before the war. Taking this into account as well as the greater degree of work entailed in turning out a military vehicle as compared with a peacetime vehicle, it appears that, with its present plant and labor staff, the automobile industry can manufacture conservatively around 400,000 cars per annum.

A glance at the chart will show that 400,000 cars per annum is roughly twice the maximum level at which the industry operated during any normal year since 1917. Nor is this the entire problem. The chart showing ratio of exports to total production indicates that this part of the automobile industry's business has in the past accounted for from 10% to 47% of total output with a fairly steady 37% applying during more recent years.

What of Exports?

Most of these exports have gone to other members of the British Commonwealth and the British Empire. Other countries in South America and to some extent Europe have also been important customers.

But in almost all of them, particularly those now ranged beside the United Nations, there has been a substantial increase in industrial capacity. South Africa, Australia, and especially India, have made rapid strides. South America, with imports from North America largely cut off because of the diversion of North America's industry to war work, has become more and more independent. And the war has, if anything, stimulated the desire of most nations to develop their own heavy industries.

Result is it will be difficult for Canada to retain as large an export market as she did before the war.

Of course, dogmatic predictions of this nature are dangerous at the present time. Immediately following hostilities, for example, there will be a backlog of demand both domestic and foreign, that should keep the Canadian industry, and any of those developing abroad, operating at full capacity. And over the longer term, it is quite possible higher levels of income both at home and abroad would result in a level of exports even greater than any hitherto experienced.

Postwar Headaches

But it must be recognized that the industry faces vast postwar problems, and most of the answers cannot be provided by the industry itself.

For example, if the domestic level of incomes is maintained at a sufficiently high figure, which intention has been announced by all Canadian political parties, the number of automobiles in Canada would almost certainly be doubled. At present there is in Canada approximately one car for every nine people. In U. S. the ratio is about 1 to 4, and there is no doubt that if Canadian income were increased, a first object of expenditure would be on automobiles.

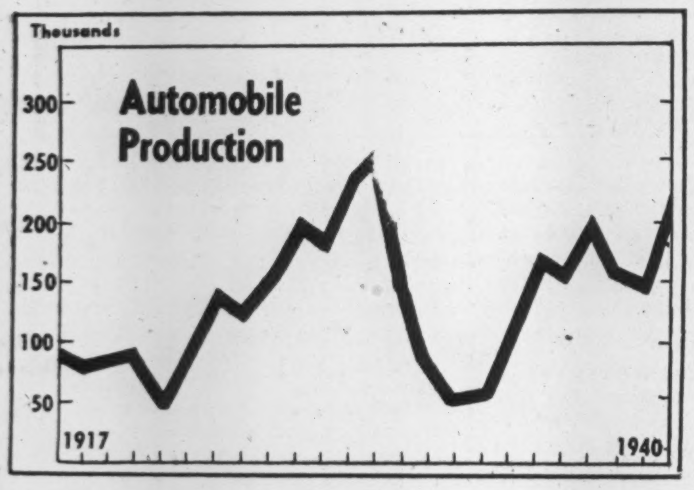
But even this would not give the Canadian automobile industry a yearly production of more than approximately 250,000 cars per annum. There would remain on top of this an unused capacity to produce somewhere around 100,000 cars per annum.

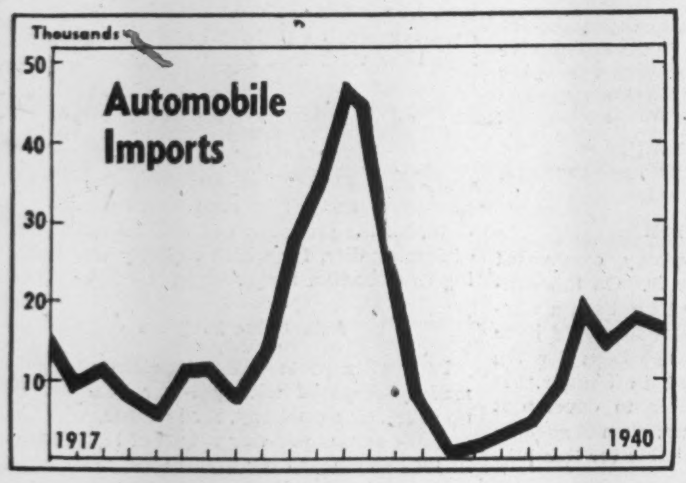
If, then, we assume that the level of Canadian income is sufficient to absorb 250,000 cars annually, there remains an excess capacity of exporting from 100,000 to 150,000 per annum. This export proportion, it will be noted, continues to be about the ratio of one third of the total capacity, the ratio which by and large applied throughout the 1930's.

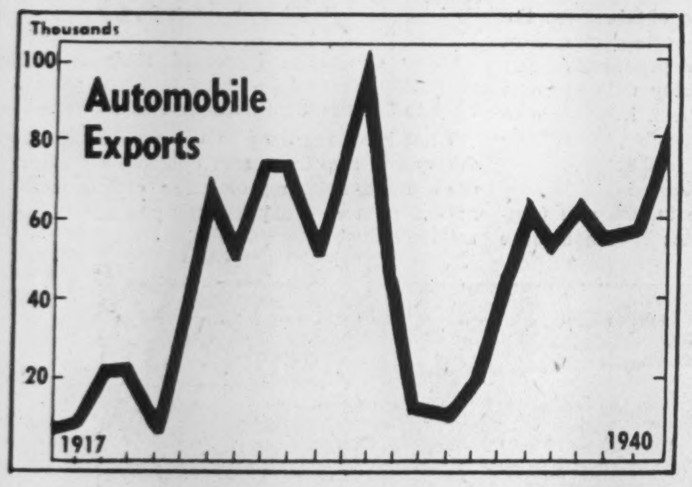
It is thus apparent that if the automobile industry is to continue to utilize to the full capacity and labor force developed during the war years, export markets will almost certainly have to be expanded instead of contracted. In view of the industrial progress made in countries which hitherto purchased cars from Canada, it looks like a hard task. Solution will depend on the world trade agreements reached after the war.

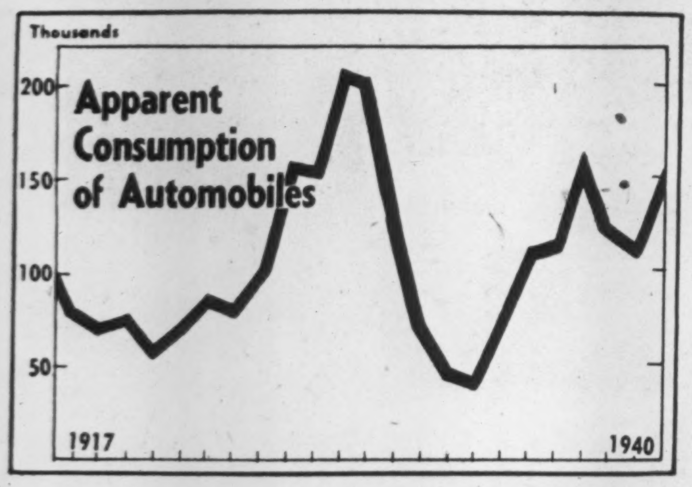
While it may be difficult for the industry to maintain its present expanded status, there is little doubt it will be a much greater factor in Canadian life after the war than it was before. We have no guarantees that the national income can be maintained at current levels, nor that full employment can be maintained. But as a result of the much greater knowledge that has been gained concerning the prevention of depressions, it appears certain now that the automobile industry will not for many years experience the type of depression that was suffered 10 years ago.

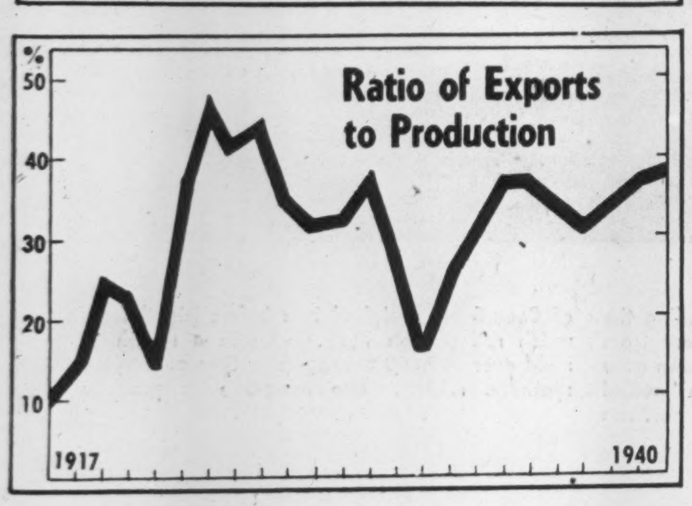
It would be physically impossible to mop up the entire backlog of peacetime demands in less than two or more years, according to current forecasts. That means that there will be at least two years of grace during which both industry and government will have an opportunity to solve the longer term problems which chiefly concern our international trade relationships.



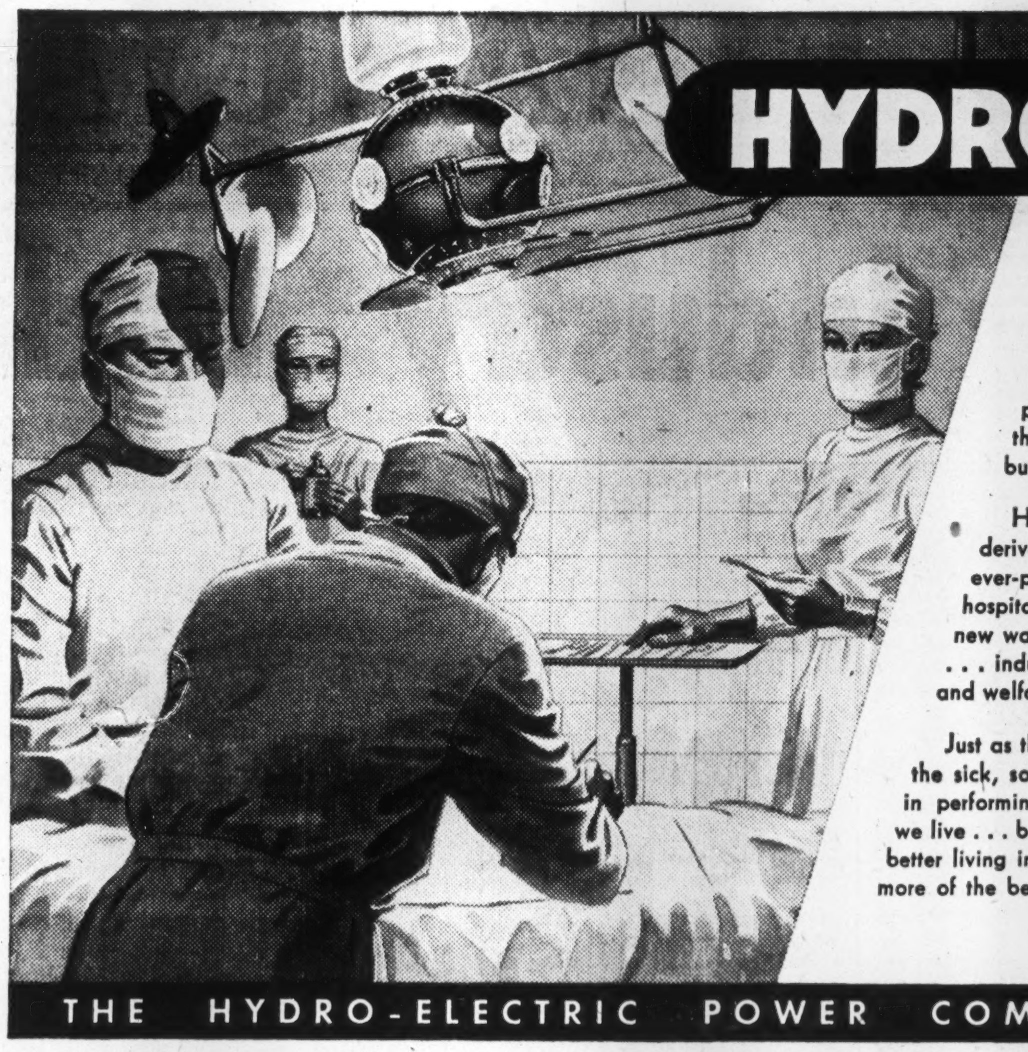








HYDRO *Lightens* The Way



In the operating room, under a shadowless flood of light, surgeons perform miracles with the help of Hydro. Sensitive electric cutting instruments are used in many delicate operations. Elsewhere, it powers the X-ray and therapy machines. It protects nurseries from air-borne germ infection. It conditions the air, runs the elevators, pumps the water. And these are but a few of the many ways in which electricity serves.

Hospitals provide an outstanding example of the benefits derived from 24-hour Hydro service. Indeed, without the ever-present aid of electricity, there could be no modern hospital. With its help . . . surgery and medicine discover new ways and means to fight and control disease and illness . . . industry creates new and better products for the progress and welfare of mankind.

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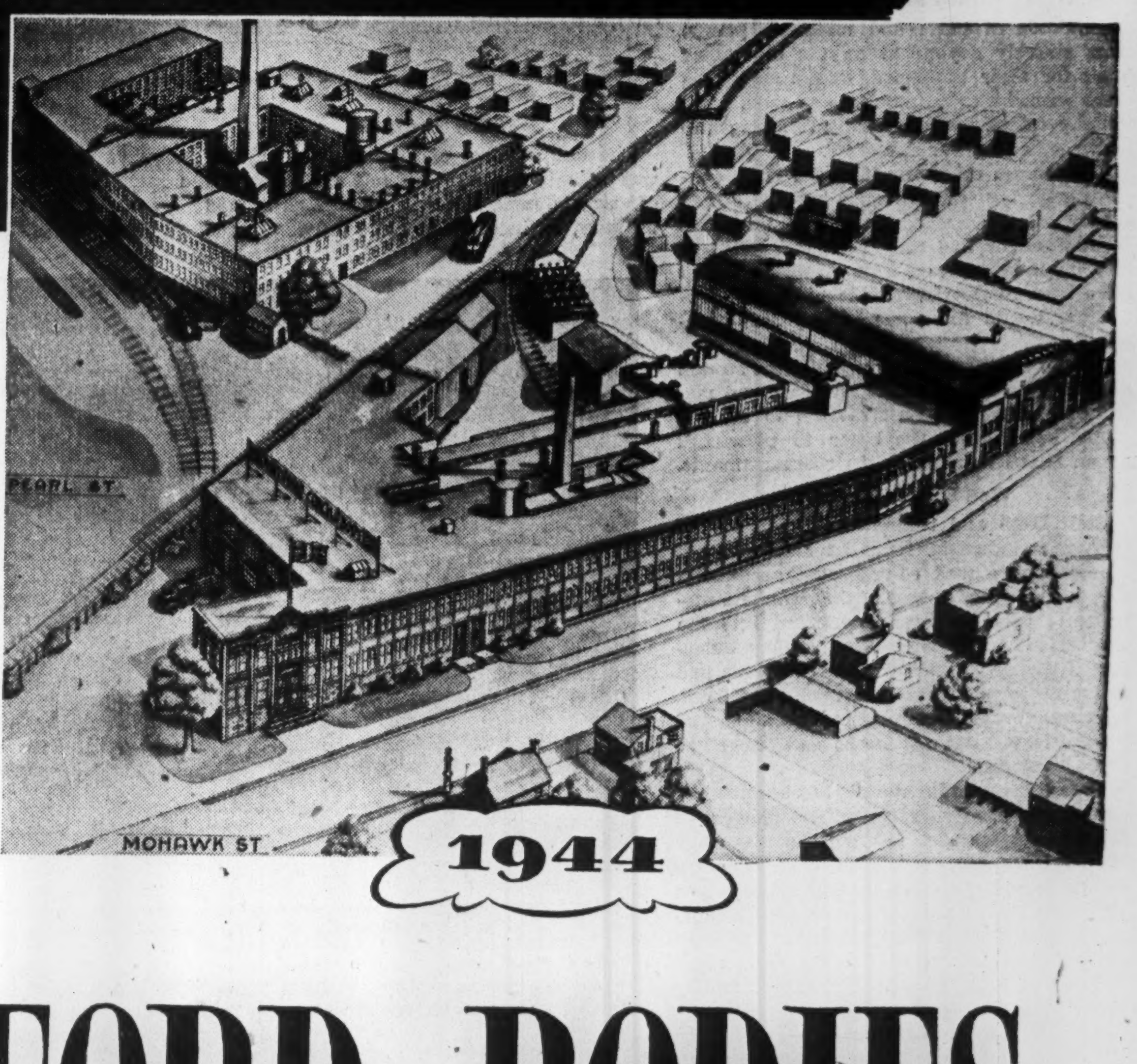

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Wheels For a War of Movement

Canada Triples Automotive Output in 4½ Years of War

Canada's vast automotive industry produces more than 100 different types of military vehicles. This includes 21 kinds of workshop, five of wireless truck, three types of ambulance, three models of fire truck, scout, reconnaissance and armored cars, Universal carriers and 90 types of troop and ammunition transports, artillery tractors, and trailers. The story of their production is the story of a great contribution to Canada's war effort.

Tripled Expansion

Canadian automotive production has more than tripled in four and a half years of war. This expansion has taken place in the face of tremendous difficulties. Needs and designs have changed as the locale of battle has moved from the snows of Russia to the sands of Africa and to the mud of Italy. In stiff competition with the enemy, but in co-operation with each other, Canadian automobile manufacturers have continually improved methods of production of military vehicles. New and more complicated types of equipment have been developed and in ever greater numbers. All this has been done in spite of shortages of supply which have tested the ingenuity of the whole industry.

These difficulties have not been allowed to slow down the expansion or cut quality. The enemy himself has testified to this. A mechanized supply column, 2,500 miles long backed up the advance of the British armies in North Africa. As many as 150,000 of them came from Canada. It was also reported that when the Nazis managed to capture any of this equipment they used it in preference to their own for desert reconnaisance and personnel transport.

The production story of these vehicles and the other 450,000 which Canada has turned out since beginning of the war begins long before Sept., 1939. Between wars, the military of Canada and Great Britain worked together on problems of military transportation, new light on which had been cast by the experiences of World War 1. Included in their conferences were representatives of the automotive industries who each year attended the trials at Petawawa, and who produced for the army the vehicles with which they were experimenting.

Climax of these exploratory years was a week in 1936 when representatives of the automotive industry met Ottawa ordnance experts to discuss specifications for army vehicles, sent from London while Munich was in the making.

Out of that conference rose the foundations of a great war effort. Plans were laid at the time for the integration of Canadian and British parts—for the mass precision and standardization, and pooling of facilities and equipment which enabled the Canadian automotive industry to turn out masses of the right equipment when the hour came.

In 1939 Canada was industriously turning out 155,000 pleasure cars and light trucks—and was proud of her accomplishment. But when the German armies started to roll over Europe, the harassed United Nations turned to the Canadian automotive industry for transport equipment. Could they do the job? Today more than 100 different kinds of workshop, wireless truck, ambulance, armored car and universal carrier are being produced. Production has been at least tripled in four and a half years of war.

In 1939, Canada was producing ordinary motor vehicles at the rate of 155,000 a year. These were pleasure cars and light trucks, hardly able to stand the punishment of war. Great changes had to be made, and were made, with surprising speed. In peacetime a year normally elapses between adoption of a new design and its translation into actual production. That was too slow now. First order for gun carriages was placed late in the autumn of 1939. First delivery was made in March, 1940.

Replacing Equipment

Dunkirk, which changed so many plans, injected a note of urgency into the plans of the Canadian automotive industry. The burden of replacing equipment left on the beaches of France and of finding a new strength for defense and ultimate invasion, fell more heavily upon the resources of the Dominion. Shortages of supply became more acute. It took the combined ingenuity of management and workers to produce, in face of these difficulties, motor vehicles at a steadily increasing rate which has reached 208,000 units a year.

These are not the pleasure cars of yesterday. "Three times as tough" is the standard for the army, as compared with civilian trucks. Each unit requires at least twice as much labor and material as its civilian equivalent. This conceals to a certain extent the real advances of the industry. If it were turning out pre-war types of cars and trucks, output at the present rate of activity would probably be over 400,000 units.

Problems of power, traction, articulation and clearance encountered by military vehicles in cross-country operation call for impressive standards of height and rigidity. News pictures of the Italian campaign give an idea of the variety of problems that may be met by a single truck in one day's operation. Unfaltering power must be available under all conditions. Traction must be adequate in sand, mud or rock. Brakes must stop on the proverbial dime and hold on a steep grade.

"Constant velocity" universal joints in the front axle drive shafts enable the front wheels to be turned to right or left while also transmitting power. Moreover, nearly all army trucks are four-wheeled drive. This alone meant an important change over from the former two-wheel drive used in most civilian vehicles.

During the first part of the war the auto industry concentrated on manufacturing military vehicles which were largely adaptations of civilian types. For a while such vehicles were required in quantity by the forces. Lately however, emphasis has swung to an attempt to make the army self-sufficient in the field, widening its range of major operations from a given base by providing it with mobile workshops for use in almost any emergency. Designs are becoming more and more complex.

Heavy Utility Type

A purely Canadian conception is the heavy utility vehicle developed by General Motors and the Directorate of Automotive Design. It bridges the gap between the "jeep" and the 15-cwt. truck, is the lightest Canadian-made truck with four-wheel drive, and has in addition a high ground clearance and short wheelbase, all of which make for good cross-country performance. Its basic body is adapted to serve as ambulance, personnel carrier and wireless vehicle, by means of minor changes which present few tooling problems. Some of its features are similar to the larger trucks, for example, the body front.

Three classes of breakdown vehicles are made in Canada. They have the latest wrecking crane and recovery equipment. In addition to taking care of routine breakdowns they are used in forward areas to recover vehicles disabled in action. They provide the hoisting machinery necessary in overhaul and major repair jobs in mobile workshops.

The general service stores lorry is a travelling hardware shop. A 12-ft. body with 20-in. solid sides and superstructure is fitted with bins and racks carrying a thousand different items encased in screens above the body line. Bulk stores are carried in the aisle.

Armored Vehicles

Armored vehicles include reconnaissance cars—four-wheel drive, four-cylinder vehicles used for reconnaissance under fire, armor plated with protection from all the lighter weapons and furnished with armament for offensive action. With a high road speed and good cross-country speed and performance, this car can take care of itself under all circumstances. The armored car as such is much the same, but is powered by a rear-engine. The scout car is another 4x4 armored vehicle, without offensive armament, used for intercommunication under fire, and designed to show the lowest possible silhouette to the enemy.

The machinery lorry, type "M," is an interesting vehicle. It is, in effect, a portable garage, and contains a bench lathe, battery conditioner and capacity meter, overhead lighting system, battery service kit, connecting rod aligner, bench grinder, brake reliner, riveter and countersinker, drill press, pin-hole grinder, valve refacer, 7½ kw. generator, Willys engine, and 2 h.p. 110-volt electric motor. When the sides of the body are dropped down, they form a work-bench. A canvas penthouse protects the men working outside the lorry body on the dropside benches.

These are only a few of over 100 types of vehicles produced by Canada's automotive industry. They are made by the three giants of the industry, Ford, Chrysler and General Motors, and the more than 500 other firms who supply essential parts.

Ford, with its 15,000 employees, 60 acres of floor space, and 238 acres of grounds, had by last June turned out 270,000 of the 500,000 vehicles produced since beginning of the war; 16,500 of them were Universal carriers.

Chrysler, in its nine plants, covering over a million sq. ft., employed 5,880 in manufacturing combat units, 3-ton lorries, water tanks and purifier units, dump trucks, bomb loaders, refuelling tenders, stores trucks, garbage wagons, station wagons, flare panel trucks for airfields, buses, and other motorized equipment. In addition Chrysler makes gun parts, ammunition sights, fuse parts, special motors and secret war equipment.

General Motors employs in its four million sq. ft. of factory space 13,600 employees. About half of these work on war vehicles including the Otter reconnaissance car and the Fox armored combat car, while the remainder are engaged in other war production. Plant and equipment for this tremendous job have been supplied largely by the industry itself, and will remain as a permanent addition to the resources of the industry. Complete co-ordination has supplanted, for the duration, the competition among these firms. An excellently integrated production program is the result.

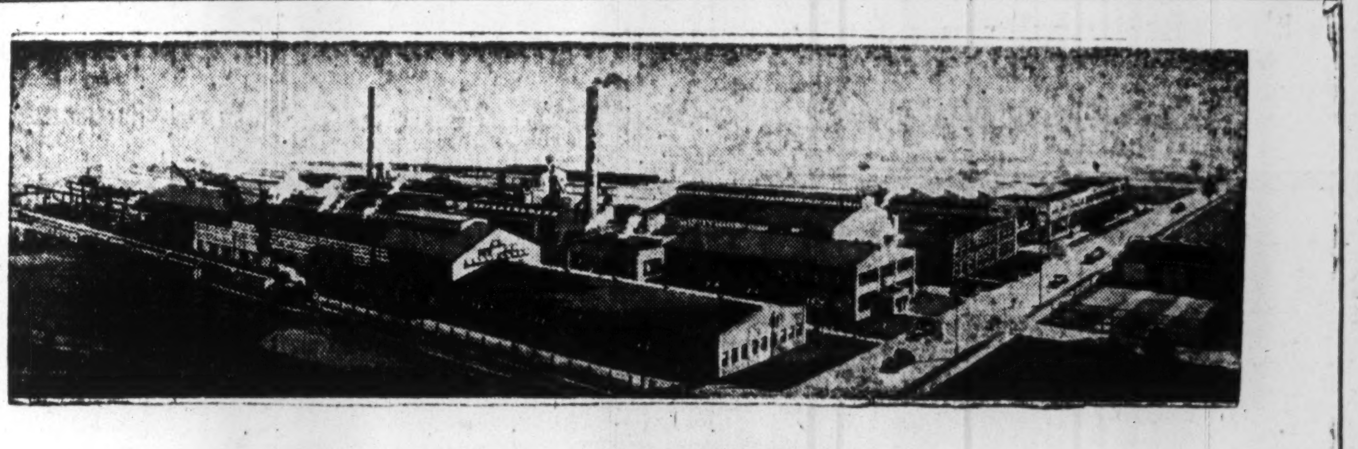
Economized as Well

Though quantity and quality of production have been firsts in the minds of Canada's automotive producers, wherever a possible saving in scarce equipment, man-hours or dollars was to be found, they made it. Sometimes it involved small matters, but all these piled up in saved materials.

By substituting wood for rubber in the handle of an inspection lamp one company saved 14 tons of rubber annually. By modifying the design of tire chains, without loss of quality, 7,000 tons of steel per year were saved. Eight hundred tons of malleable iron yearly was the prize for reducing the size of a towing attachment bracket. On the Universal carrier, a number of design changes over a period of time reduced the cost by 24%.

Still another company, turning out about $175 millions of war materials annually, estimates its savings through improved methods and designs at $3.3 millions, 330,000 furnace hours, over a million machine tool hours, and more than one million man-hours. These changes were brought about by constant checking of method and requirements, as well as by plant competitions which not only produce good ideas but make employees realize more clearly their active participation in Canada's war effort.

Record of the industry to date is most impressive. It has fulfilled, to the admiration of all concerned, the tasks imposed on it by the war. With signs now of mounting activity on all fronts and more active fighting, more vehicles will be needed. Maintaining its peak production, the automotive industry of Canada is ready to meet these demands.



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B. C. Seeking Mines Policy

From Our Own Correspondent

VANCOUVER.—British Columbia is taking the initiative in asking Ottawa to call a conference of provincial mines ministers with a view to formulating a nation-wide policy to ease some of the restrictions on the mining industry.

British Columbia mining probably has felt the effects of wartime controls to a greater extent than most of the other provinces. Last year's revenue from mines dropped more than $5 millions, and it is probable that the decline will be even steeper this year. Seventy per cent of the gold mines operating two years ago have since been forced to shut down, and some of the base metal producers, including one large copper company, are barely able to operate at a reasonable margin.

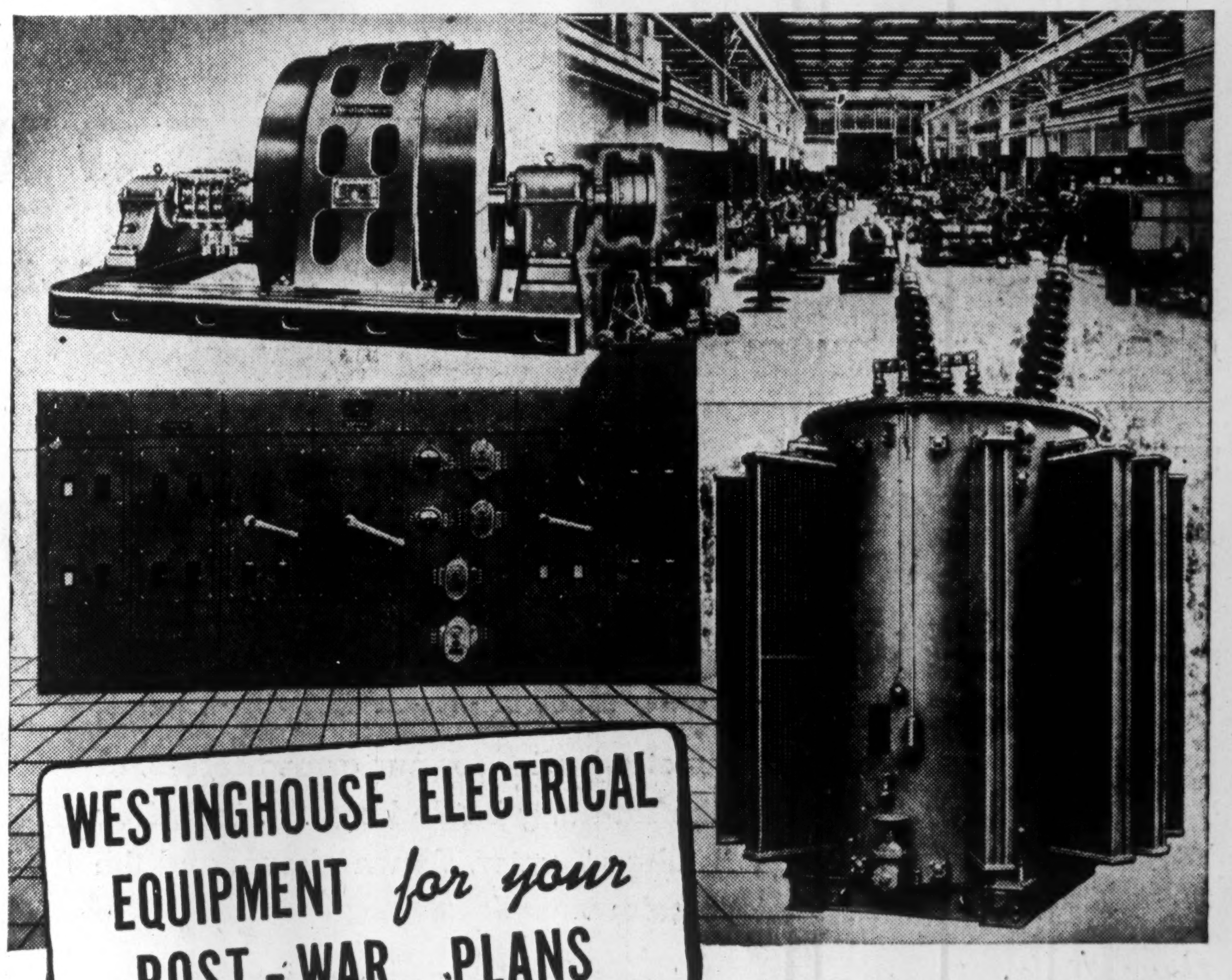
Mining Big Factor

Mining has been one of British Columbia's chief sources of income since the early days when coal was discovered by Hudson's Bay Co. agents on Vancouver Island and the placer goldfields of the Cariboo drew fortune seekers there in the 60's. With the province facing industrial dislocation after the war anyway, a depressed mining industry will be an extremely dangerous threat to British Columbia's economy, it is stated.

Hon. Ernest C. Carson, Provincial Minister of Mines, believes that an effort should be made to effect complete treatment of B. C. ores in Canada rather than export them in the raw state or as concentrates. To look into this possibility as well as other aspects of the mining and other major industries the Government is encouraging industrial and scientific research.

Carry Out Research

The Government is co-operating in this connection with the Federal Government and the University of British Columbia. Representing the Government on the provisional board of management of a research council, to be financed in its preliminary stages to the extent of $50,000 this year by British Columbia, are Dr. John W. Walker, Deputy Minister of Mines; Chief Forester C. D. Orchard and E. G. Rowebottom, Deputy Minister of Trade and Industry.



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Now, before the hectic days of post-war reconstruction, is the time to survey what war production has done to your plant . . . what equipment has to be replaced . . . what improvements have to be made.

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Saving the Machine Tool Trade

Machine Tool Builders Submit 12 Recommendations

To assist in the survival and continuity of the machine tool building industry in Canada a brief has been prepared by the Canadian Machine Tool Builders' Association and sent to Thomas Arnold, O.B.E., Canadian Machine Tools Controller.

It embodies numerous recommendations in respect to disposal of machine tools in government-owned plants or arsenals, in privately owned plants which can use this machinery to produce their standard products, and in government or private plants where this machinery will no longer serve a useful purpose.

12 Recommendations

The brief, as reported in a recent issue of Canadian Machinery and Manufacturing News, recommends:

1. Government-owned plants should be maintained for 10 or 15 years intact and ready for resumption of operation at any time necessary. They should be manned by a skeleton staff to repair and recondition products made therein and which have been returned in damaged but repairable condition from the war zones, and to produce new or advanced designs on a limited scale. This would keep employed a nucleus of skilled, key personnel, capable of training and expanding to full production in a short time a full working force should emergency arise.

2. The balance of such equipment should be heavily greased and put in condition to prevent loss or deterioration.

3. Master flow sheets with complete engineering data and photographs of product procedure should be prepared for emergency use. This would avoid repetition of the situation in 1939 when, for instance, details from the last war regarding manufacture of cartridge cases were much sought.

Give Canadian First Chance

4. Where a Canadian manufacturer requires specific equipment, he should be given first opportunity to purchase.

5. The best of government machinery in privately owned plants should be turned over to the manufacturing company at a very nominal figure as their own equipment will likely be in run-down condition after years of high-pressure war production. Such an arrangement would benefit plants which have been unable to set aside sufficient cash for capital expenditure owing to excess profits and other taxes.

6. Modernization of established Canadian plants, much of whose equipment is of very old design, even pre-dating the last war, is essential. To this end, and to assist Canada with its higher standard of living to compete successfully in the world market, fullest utilization of up-to-date plant productive machine tools—greatest percentage of which are government-owned—should be encouraged. Such companies should be urged to scrap old machinery and replace it with this new type equipment purchased by the Government since World War II.

Young Mechanics

7. Our young mechanics of the future should be taught machine operation on modern type equipment. Therefore some of the late type equipment could be diverted to modernization of technical schools and colleges across the country.

8. With Canadian plants, technical schools and colleges thus modernized, the remaining surplus should be disposed through agencies set up to rehabilitate devastated areas.

9. In disposing of Crown property machinery, it is suggested a complete listing of goods available be issued to all Canadian manufacturers having use for it. After Canadian requirements have been satisfied the balance could be submitted to foreign governments and rehabilitation authorities. It should be liquidated in an orderly manner direct to Canadian plants who can use it. It should not be sold at extremely low figures at which it could be warehoused by unscrupulous dealers for later resale at greatly enhanced prices.

10. Because of limitation of profits, Canadian industry should be treated as liberally in purchase of government-owned tools as the devastated countries if it is to hold its own and retain its employees actively at work.

Wide Disposal

11. A broad distribution of up-to-date tools to Canadian manufacturing industries should be assured to promote development. It is believed many plants would be interested if adequate long-term payment without interest could be effected. Payment, it is suggested, should be extended over a five-year period to make the tools pay for themselves.

12. Importation of used machines of a class or kind made in Canada should be prohibited for some time after the war. By allowing such to come into the country, it would complicate an already acute distribution problem.

Members of the Canadian Machine Tool Builders' Association responsible for the brief include:

H. G. BERTRAM, president;
P. FORD-SMITH, vice-president;
E. BARKER, secretary;
J. C. SCANLON, treasurer.

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Company Reports

Western Grocers

Years Ended Dec. 31:	1943	1942
Earn. per share, pref*	$24.80	$34.84
Paid	7.00	7.00
Earn. per sh., common*	12.55	19.37
Paid	5.00	5.00
Working capital	$1,858,382	$1,721,819

*Based on net profits after deduction of taxes. In addition, refundable portion of EPT was $1.83 per common share for 1943, $0.24 for 1942.

(Previous year's figs. bracketed below.)

Volume of sales of Western Grocers Ltd., Winnipeg, was appreciably higher for the year ended Dec., 31, 1943, W. P. Riley, president, reported. Percentage of gross profit remained steady, and income from trading showed a substantial advance. However, after provision of $286,000 ($145,000) for taxes, net profit was down to $296,234 ($411,-837).

Dating of customers' accounts receivable in relation to sales was lowest in the history of the company, the president stated. Total of these accounts after providing for possible losses stood at $680,717 (674,632). Value of merchandise was $2,530,038 ($2,217,341). Earnings of the four subsidiaries, Dominion Fruit Ltd., H. H. Cooper Ltd., W. H. Malkin Co., and Gateway Grocers Ltd., followed the same general pattern as those of the parent company. Each earned net profits. These earnings are not reflected in the accounts of Western Grocers Ltd., except as dividends actually received, which amounted to $113,-572 ($238,572) plus a stock dividend of $70,700. Resignation of H. W. Hutchinson from the board of directors and election of Isaac Pitblado, K.C., were announced by the president.

G. W. Saddlery

Years Ended Dec. 31:	1943	1942
Earn. per sh., 1st pref.	$9.81	$11.62
Paid	3.00	3.00
Earn. ped sh., 2nr pref.	41.13	51.94
Paid	3.00	*9 00
Earned common†	1.11	1.42
Working capital	$968,329	$953,247

*Arrears eliminated by this payment.
†In addition, refundable portion of EPT amounted to 94c. in 1943 and 33c. in 1942.

(Previous year's figs. bracketed below).

Net profit of Great West Saddlery Co. for the year ended Dec., 1943, was $68,607 ($81,233) after deduction of $24,309 ($24,668) for depreciation and $239,500 ($158,000) for taxes. Extremely buoyant sales were experienced during the year, A. G. A. Spence, president, stated, an increase of $68,515 occuring in gross earnings as a result. Shortage of supply has been an increasingly acute problem, but a comparatively satisfactory supply of merchandise is available for 1944.

Accounts receivable decreased during the year to $166,059 ($266,-506), but the president pointed out that this unusually low figure was a reflection of the unusual times and could probably not be maintained. Inventory increased to $1,070,596 (953,247). During the year the company retired $44,000 of bonds maturing Sept 1, 1943. Bonds outstanding now total $220,000. Refundable portion of EPT amounted to $38.300 for the year, making a total to date of $50,500.

Western Breweries

Years Ended Oct. 31:	1943	1942
Earned per share*	$0.46	$0.57
Paid	.30	20
Working capital	$355,049	$292,612

*Based on net profit after deduction of depreciation, taxes and transfer to reserve. In addition, refundable portion EPT amounted to 11c. per share in 1943 and 2c. in 1942.

(Previous year's figs. bracketed below).

Net consolidated profit of Western Breweries Ltd., and subsidiaries, for the year ended Oct. 31, 1943, was $111,830 ($140,415), after provision of $258,400 ($200,000) for taxes and transfer of $75,000 ($75,000) to reserve for war and postwar contingencies. Maintenance of satisfactory position in spite of restrictions of sale and delivery was attributed by G. M. Black, president, to improved agricultural conditions, steady employment of all classes of labor, and substantial reductions in operating expenses.

Reserves other than tax reserves were $191,104 at Oct. 31, 1943. Bonds in the amount of $25,000 were retired April 1, 1943, leaving a balance outstanding of $375,000. Refundable portion of EPT amounted to $34,725 ($5,911). Stocks, raw materials and supplies stood at $271,635 ($265,377).

Simpsons Ltd.

Years Ended Jan. 5:	1944	1943
Earned per share, pfd.	$9.07	$9.25
Paid	11.50	6.50
Earned cl. A common	2.41	2.58
Paid	nil	nil
Earned class B	d0.59	d0.42
Refundable EPT	474,250	268,875
Working capital	11,622,604	11,224,252

(Previous year's figs. bracketed below).

Simpsons Ltd., and subsidiary companies reported net profit of $1,020,663 ($1,041,138) for the year ended Jan. 5, 1944. Income and excess profits taxes provided for before arriving at this figure totalled $3,672,000 ($3,079,700) of which $474,250 ($268,875) was refundable. Inventories were down slightly to $9,726,134 ($10,983,619), and trade accounts receivable to $4,167,016 ($5,532,216). Dominion of Canada bonds held by the company amounted to $5,019,200 ($2,003,575).

Reserve provided for depreciation of buildings and equipment was increased during the year to $10,005,-942 ($9,214,263). The sum of $200,-000 was added to the reserve against future depreciation in inventory values, bringing its total to $1,200,000.

Building Products

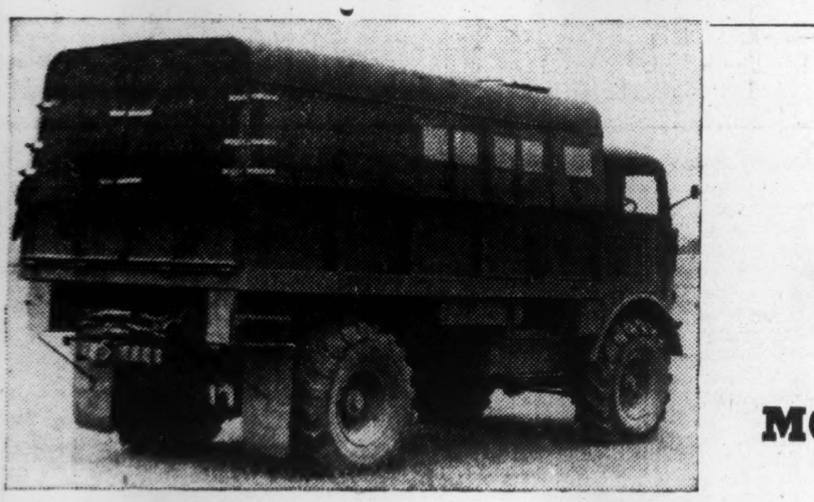
Years Ended Dec. 31:	1943	1942
Net profit	$318,500	$425,008
Earned per share	‡0.66	0.88
Paid per share*	0.62½	0.70
Working capital	1,952,929	1,917,196

‡Excluding refundable portion of E. P. tax equal to 33 cents a share.
*Plus a bonus of 10 cents a share.
(Comparative 1942 figures bracketed).

Building Products Ltd. financial statement for 1943 shows a gain in operating profits to $1,523,361 ($1,-236,256), but owing to an increase in the company's tax bill of nearly $400,000, net profits were lower than in 1942. However, considering the refundable portion of the E.P. tax, earnings were higher.

The balance sheet continues to reflect a strong financial position. The principal changes over the past year were an increase in cash and government bond holdings to $1,600,183 ($1,351,401), and an expansion of property account to $2,341,291 ($2,-245,567).

Reporting to shareholders President W. R. McNeil said that while construction was off 27%, residential building was maintained. "Recently there has been some easing of the regulations and all signs now point to a continued favorable trend in this particular type of construction."



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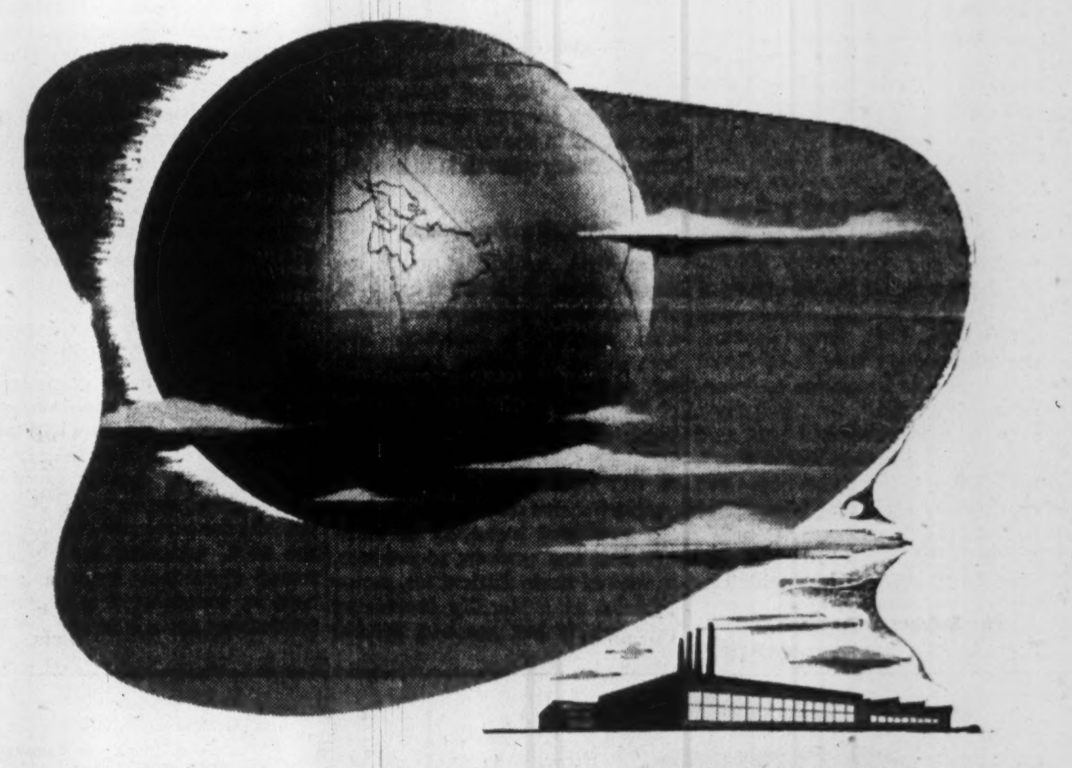

BENDIX BUILDS TODAY
for a Better World Tomorrow!

From dawn to dusk and through the night till dawn again, Bendix precisionists keep one goal in mind — Victory and a better world to come.

Through the colorful years of a quarter century, Bendix engineering and production leadership has been an integral part of the automotive industry.

When Canada entered the war, blitzkrieg methods had already proved that swift-moving automotive vehicles were to play a dominant role in winning the war. It was only logical that our Government, facing these conditions, would include in assignments to Bendix the continued production of automotive units similar to its peace-time products — but on a scale never before dreamed possible.

Because of this wartime use of peace-time products, Bendix will be better able than ever to serve the automotive industry when decent folk turn again to peaceful ways.

In the meantime, an important part of the Bendix wartime task is to help automotive servicemen keep war-essential civilian transportation at peak efficiency.

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Bendix Aviation Corporation, Windsor, Ontario, Canada

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Division of
THE INVISIBLE CREW
Bendix Aviation Corporation

"Rubber" Pouring From Polymer

Enough in 15 Months to Equip Canada's 1.52 Million Vehicles

Canadian synthetic rubber output by end of 1944 will reach the imposing total of 45,000 short tons. Since commencement of half-scale production last September, enough will have been made available in 15 months for a complete set of average-size tires and tubes, plus a "spare," for every one of the nation's 1.52 million registered automobiles, taxis, trucks and motorcycles.

More than 5,000 tons, or 11% of the 15-month quota, already have been tallied on the compression balers of the government-owned Polymer Corp. plant at Sarnia, Ont., Canada's sole producer of the vital pinch-hitting rubber substitute.

No Peace for Civilian

Under other circumstances this accomplishment might have meant prompt relief for tire starved Canada.

But it is definitely not civilian-size tires and tubes that have an over-riding priority at the moment. The United Nations are getting set to outblitz the Axis, and assault craft, planes and tanks are reaping the fruits of North America's synthetic rubber offensive.

Whatever supplies we may get from U. S. under jurisdiction of Washington's (United Nations) Combined Production & Resources Board, present shortages of tires, industrial belting, rubber footwear, etc., undoubtedly must continue through 1944.

Where, then, does Canada's new "rubber" go?

A heavy bomber made at Malton, Ont., by Victory Aircraft Ltd., requires two thirds of a ton of natural or mixed rubber, enough to make 125 average-size tires and tubes.

A medium tank takes 175 tires and tubes.

A pontoon bridge, weighing 10 tons unloaded, would afford rubber or rubber-alloy sufficient for 320 average tires and tubes.

Currently, the U. S. is building 35,000-ton battleships, of which each consumes enough rubber for 15,000 land-vehicle tires.

These rubber-hungry tools of war must be sated first. On Europe's beaches and in her hinterland the enemy must be bested by these very machines. Only then can civilians expect rubber to be released for convenience and pleasure.

The Rubber Offensive

There is little indication we will get out of our tight spot in rubber in the immediate future. For two years the enemy has held 90% of the world's supply of crude in Malaya and Netherlands East Indies. Canada's stockpile, while sizeable, was far from enough for a nation at war. Our allies are likewise starved for rubber. Reclamation of scrap has helped but will go only so far in meeting deficiencies.

Main answer, apart from attempts to develop the South American source of crude and to exploit Ceylon plantations or resort to longer-term expedients, has been synthetic rubber. It is processed from higher fractions of crude oil or from alcohol, Canada's source of supply being oil from mid-continent wells.

Current synthetic rubber program for the U.S. and Canada is as follows:

Buna-S, 735,000 long tons for 1944, of which Canada is scheduled to contribute 34,000 long tons;

Butyl, 68,000 long tons, with Canada making 4,000;

Neoprene, 40,000 long tons, all in U. S.

This stacks up to 843,000 long tons of synthetic rubber for 1944.

Most Neoprene and Buna-S plants now in production in the U. S. are running over their rated capacity and this is expected to offset the reduction of expected volume involved when certain plant building was cancelled late last year.

The rubber-reclaiming industry in Canada and U. S. this year will produce over 300,000 tons with crude rubber imports around 180,000 long tons.

Normal world consumption of crude rubber in a peace year is about 1.2 million tons. Of this the U. S. consumed 650,000 tons. Abnormal world consumption is expected, however, to continue for three or four years after the war—probably somewhere near 1.5 million long tons—since depleted stockpiles must be built up and new markets satisfied.

When the Middle East rubber region is ultimately recovered by United Nations arms, it is of interest, in light of our North American synthetic rubber development, that potential rubber production abroad is estimated at 1.6 million long tons, or enough even for our war-expanded industrial economy.

Price will be determinate in postwar competition of synthetic with natural rubber. A majority is in fact of opinion that on a price basis synthetic won't compete for some years. Natural rubber is now cheaper, but postwar plantation cost will be higher; in synthetics, on the other hand, research is expected to reduce cost and create specialized materials possessing properties superior to rubber.

Natural rubber exceeds any synthetic in resiliency, in tensile strength, resistance to tearing and to plastic flow. Clearly it is still best for tires, transmission belts and other highly stressed mechanical parts, particularly those exposed to high temperatures. But certain synthetics in turn have their own points of superiority—which may be enlarged by research—some in extensibility, electrical properties, abrasion and cold resistance, impermeability to gases and in chemical and heat resistance.

Canada's New Plant

Of 29 substances with properties similar to rubber, five—Buna-S, Buna-N, Neoprene, Butyl and Thiokol—have sufficient immediate commercial possibilities to be put into production. Two of them are being produced at Sarnia's Polymer plant: Butyl and Buna-S—mainly from petroleum fractions.

At Sarnia the process involves naphtha, gas oil, and benzene. In the course of converting the naphtha and gas oil, two substances are isolated: isobutylene, a hydrocarbon, emerges as the raw material for Butyl rubber; and the residue, comprising a number of hydrocarbons, which finally may be converted to butadiene, chief component of Buna-S.

Buna-S has two major ingredients—butadiene and styrene. The process involves polymerization of emulsified materials in a soap solution. In this way the raw materials, butadiene and styrene, are first reduced. They are then polymerized with a catalyst under heat and pressure.

Butadiene can be made in four ways: from bases of benzene, acetylene, alcohol or petroleum.

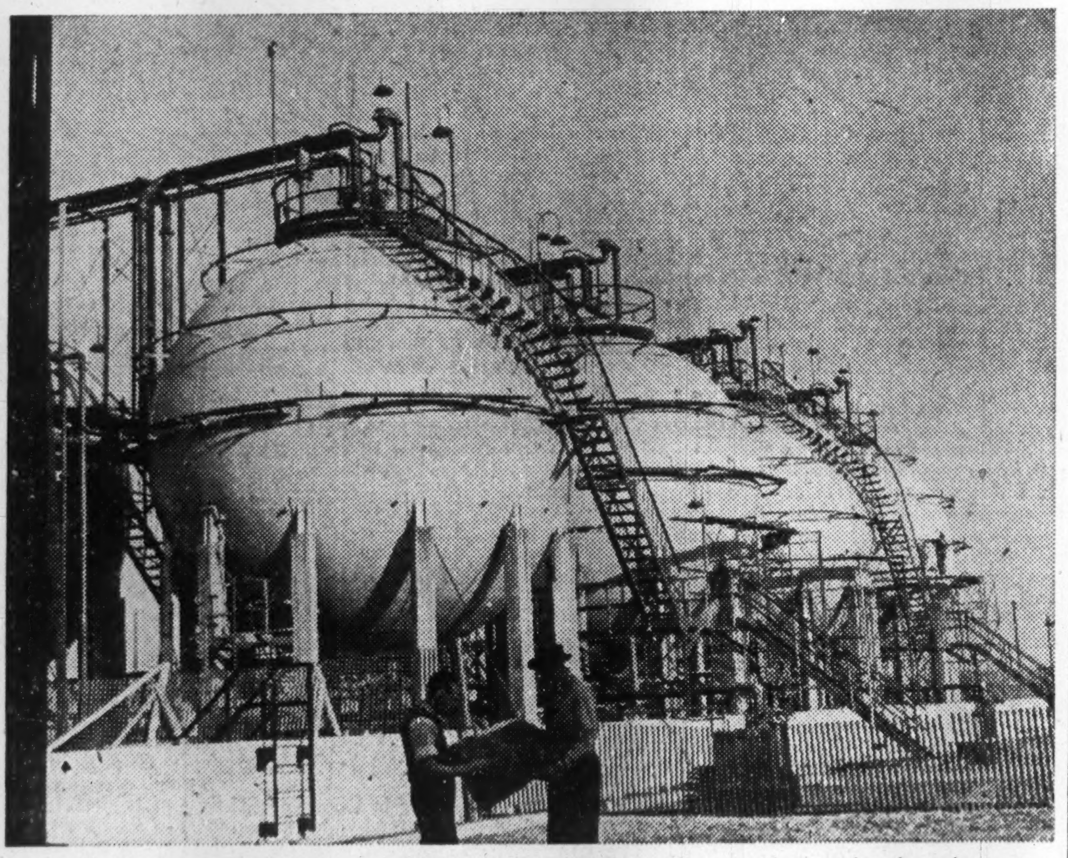
Styrene is made from ethyl benzene by means of a dehydrogenation apparatus which removes the hydrogen. Ethyl benzene, a combination of ethylene, a petroleum by-product, and benzene, may be made by distilling coal tar or may be derived from petroleum.

In addition, however, to the four bases already mentioned, Buna-S calls for thousands of tons of special chemicals—plasticizers, antioxidants, catalysts, inhibitors and soap. Alcohol for the purpose, incidentally, is at present obtained by Polymer from distillers, but soon will be produced right on the premises.

Perhaps the most interesting of the Sarnia processes is the ultimate combination of butadiene and styrene as Buna-S. They are brought together by emulsifying—whipping into small droplets in a water solution of about three parts butadiene to one part styrene. The emulsion then is converted by controlled temperatures and pressures and becomes a suspension of synthetic rubber in water; looks something like liquid latex from rubber trees.

This "latex" is fed to a battery of 24 reactors in which pressure is 70 to 90 lb. per sq. in., and temperatures 125 degrees Fahr. For 12 to 14 hours paddles agitate the mixture (including several cata-

(Continued on page 19)



Thirteen of these big "hortonsphere" welded steel tanks at the recently completed synthetic rubber plant of Government-owned Polymer Corp., Sarnia, Ont., contain together 156,000 bbls. of hydrocarbons. Those shown here (a fifth tank is on extreme left) hold 60,000 bbls. of butadiene, one of two chief ingredients of Buna-S co-polymer. Styrene is the other.

Some 5,000 short tons of Buna-S have been produced by the government-owned synthetic rubber plant at Sarnia, Ont., since half-scale production began last September. Today, with all machinery installed and full production rapidly being achieved, another 40,000 short tons — including Butyl — probably will flow from the Sarnia works for use of the nation during 1944.

That 15 months' program in peacetime would supply enough synthetic to make a complete set of average size tires and tubes, plus a "spare," for every one of Canada's 1.52 million registered automobiles, taxis, trucks and motorcycles. The story of Polymer Corp. tells of one of the big war jobs of industry.

Dom. Woollens Cuts Interest By Refunding

$700,000 in 3% to 4% Bonds Reported Sold — Earnings Lower in 1943

Dominion Woollens & Worsteds, Ltd. is offering, through Gairdner & Co., 700,000 first mortgage serial bonds at par. The proceeds, plus an amount to be provided out of the company's funds, will be used to redeem, on July 1, 1944, a total principal amount of $700,100, first mortgage 6%, sinking fund bonds due July 1, 1953, now outstanding in the hands of the public. Held by the company was $135,200 of this issue, which totalled $905,300 at Dec. 31.

The refunding issue, dated Feb. 1, 1944, matures $50,000 annually during the years 1945-53 inclusive, the balance of $250,000 being due in 1954. Coupon rate of the bonds is 3% for the first three years, 3½% for the next four, and 4% for the last three. They are issued in denominations of $1,000, registerable as to principal only.

The issue is redeemable in whole or in part at the option of the company any time before maturity, on 30 days' notice, at par plus a premium of ¼% for each year or fraction of a year by which the redemption date precedes the stated maturity. In each case accrued interest to date of redemption is included.

The bonds will be secured by a trust deed constituting a fixed charge on lands, buildings, plant and equipment owned by the company, and a first floating charge on the undertaking and all present and future assets not included in the fixed charge. Under the terms of the trust deed, working capital must be $1.2 millions before dividends on capital stock will be paid. Additional amounts of bonds may be issued up to an amount — including the preceding issues—not over $2 millions, provided net earnings have been three times existing and proposed bond interest in any consecutive 12 out of 18 months before application.

Unaudited income account contained in the prospectus showed net earnings for 1943 of $634,668 as compared with $1,424,856 in 1942. However, the decline was largely offset by a reduction in depreciation provision from $250,000 to $94,000, and in provision for income and excess profits taxes from $952,000 to $334,602. After slightly lower bond interest of $55,566 and loss on sale of securities of $1,600, net profit amounted to $148,900, equal to 2.34 per share on preferred, against $163,110, or $2.27 per share in 1942. Common earnings, after taking the participating feature of the preferred into consideration, amounted to 49 cents per share in 1943 and 58 cents in 1942.

Current assets at Dec. 31, 1943, totalled $2,301,714, and current liabilities $858,636, leaving working capital of $1,443,078, against $1,318,862 at Dec. 31, 1942. Funded debt at the end of 1943 totalled $905,300, a reduction of $41,600 during the year.

Less Newsprint Used In Jan.

American Consumption Off 14.2% from Year Ago — Stocks Lower

From Our Own Correspondent

MONTREAL. — Apparent consumption of newsprint paper in the United States during January was 259,587 tons, a reduction of 14.2% from a year ago and the lightest for any month since July, 1939. Compared with Jan., 1939, this year's consumption showed a decrease of 4.6%.

Shipments from Canada in January represented 72% of total U. S. supply compared with 61% in Jan., 1939. Shipments from Newfoundland represented 3% of the total as against 2% in 1939, while shipments from U. S. mills represented 25% compared with 28%. There were no imports from Europe in January this year whereas in 1939 they represented 9% of U. S. supply.

Apparent total of publishers' stock as of the end of January at 465,77[illegible] tons showed a reduction of 24.9[illegible] from the 611,956 tons reported at the end of January a year ago. This was the lowest month-end level since July, 1941.

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Particularly recommend for use in Industrial Plants, Institutions, Public Buildings, etc.

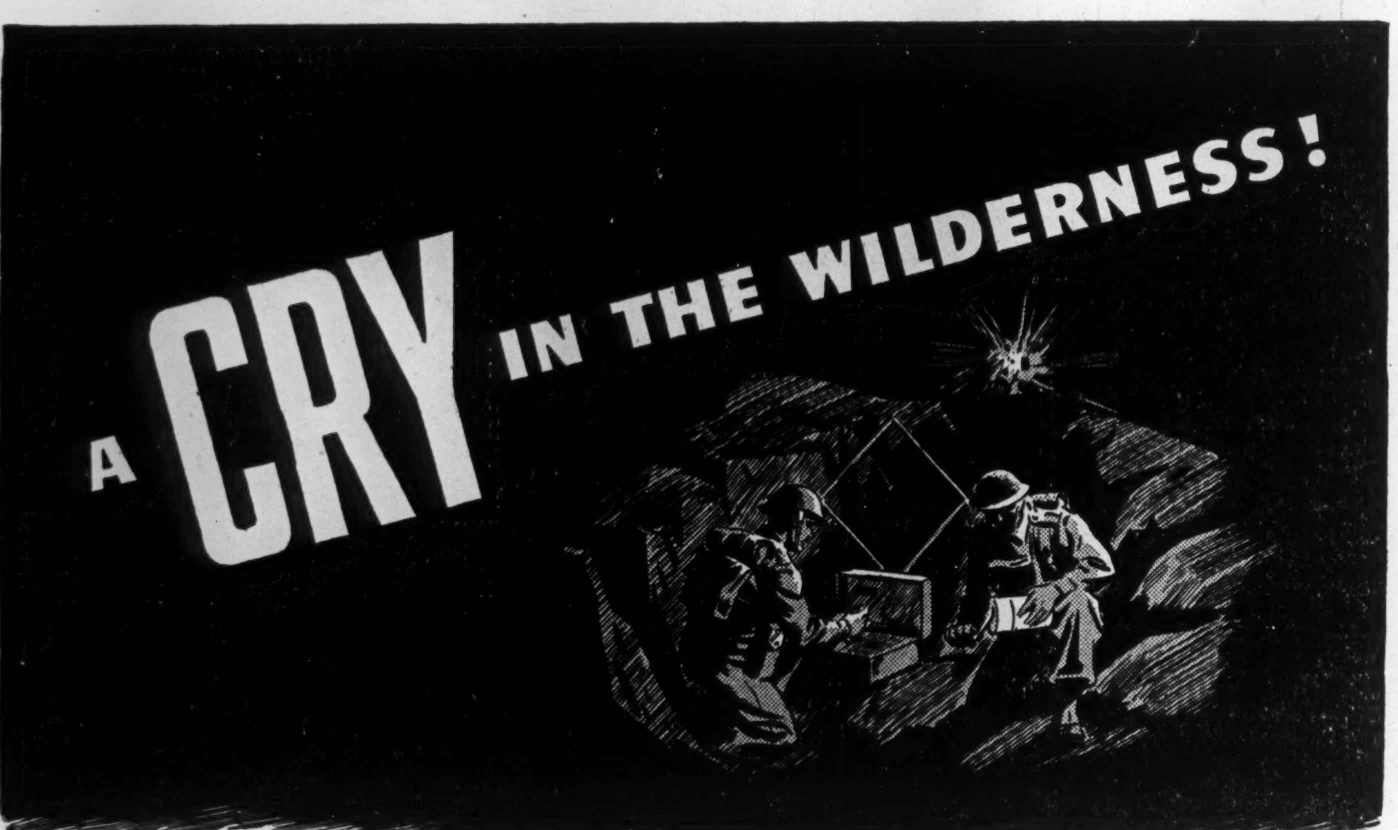
"DAY-GLO"
A durable gloss or semi-gloss finish that reflects light in rooms by brightening ceilings and walls.

"LAGOMATT"
Semi-flat finish for interiors. Reflects light while eliminating glare . . . easily washed. For Wood or Metal (ideal for brightening machinery parts).

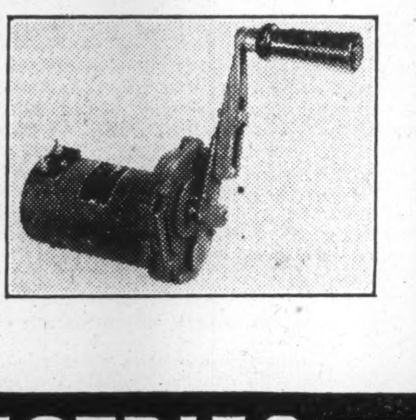
"DRES-A-FLOR"
Interior or exterior finish for wood or concrete floors and dados. Lustrous, durable, waterproof and easy to apply.

"RHINO" Fast Drying ENAMEL
Dries quickly to a smooth, hard surface. Waterproof and washable. For interior and exterior use on wood or metal (suitable for machine sections). Durable . . . "Tough as the hide of a Rhinoceros."

International Paints (Canada) Limited
HALIFAX SAINT JOHN MONTREAL TORONTO WINNIPEG VANCOUVER



OUT of the darkness and over the air waves crackles many a mysterious "S.O.S."—from shipwrecked sailor, airman on a rubber raft, advance post separated from his main unit. Portable radios provide the source of these urgent appeals, hand-crank generators the power. We, at McKinnons, are proud that, because of our "know-how" in fractional horsepower electric motors, Canada gave us the job of supplying these and many other precision-built devices for our armed forces. Improved manufacturing, direct result of such exacting assignments, will be made available to aid our nation's domestic progress when Victory is won.



The McKINNON INDUSTRIES LIMITED
SUBSIDIARY - GENERAL MOTORS CORPORATION
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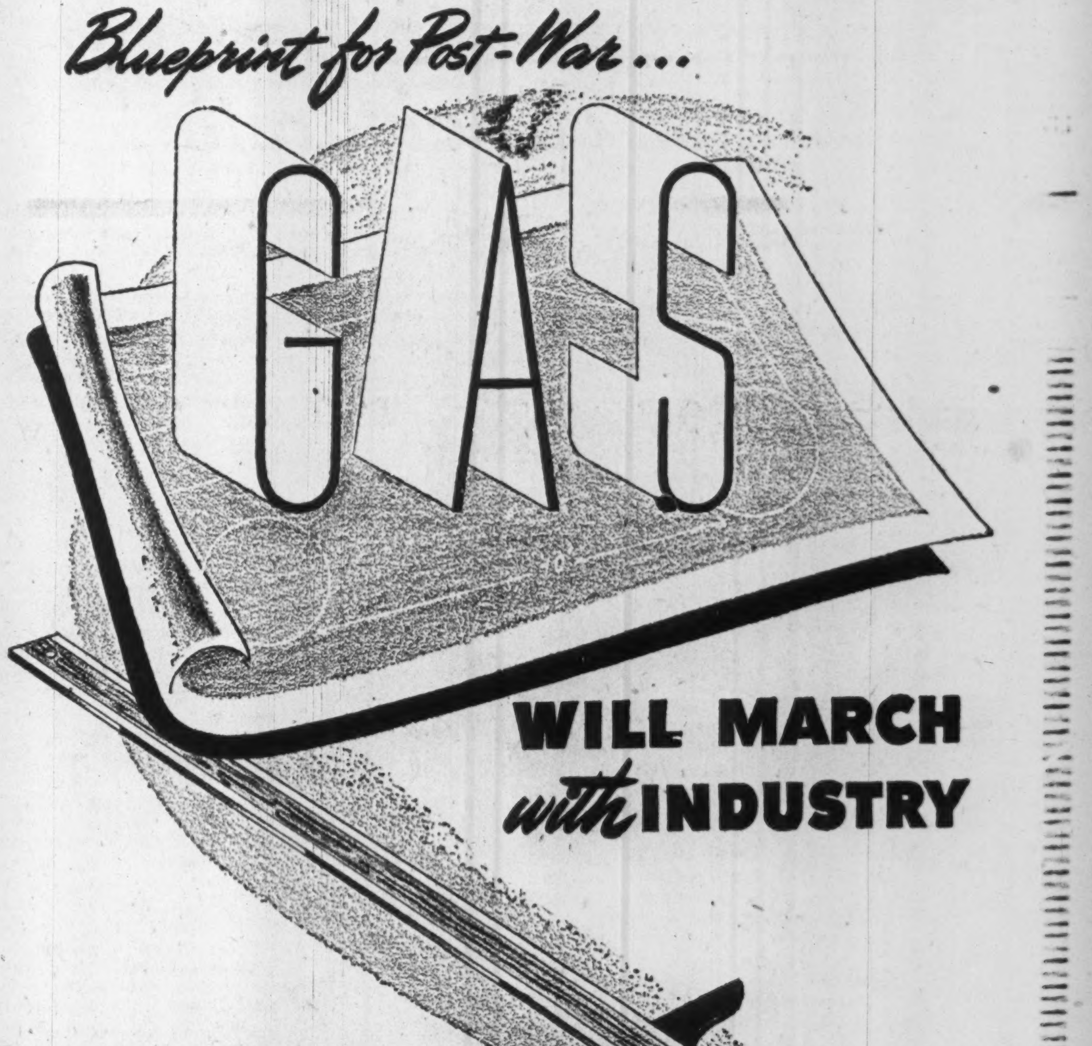
For Over 20 Years Makers of Quality Parts for the Automotive Industry

Blueprint for Post-War...



TO-DAY, when industry is occupied with the all-important task of fashioning the tools of war, your gas company is playing its part. In hundreds of factories, gas is working overtime to help make the equipment our fighting forces must have. This is the most important task to be done right now.

But while factories and their staffs are stirring themselves to bring the war to a victorious close, improved methods are a promise of new production trails for manufacturers of peacetime products.

Times are so strenuous that it is difficult to realize the advances that have been made to make the use of Gas more efficient in many important fields. Your gas company has information that will be valuable to you.

Industrial Division
124 Richmond Street West
Telephone ADelaide 6941

The Consumers' Gas COMPANY

Car Makers Prove Versatile Lot

Produce Many Types War Equipment Besides Vehicles

When the complete story of Canada's industrial war effort is written, a most impressive chapter will concern the adaptability of the automotive industry.

At outbreak of war the mechanization of the modern army indicated clearly that thousands of motor vehicles would be wanted. Many were of types and patterns different from the ordinary passenger car or truck. And to the automotive industry the directors of the war effort looked for help. Trucks and cars, even of different design and power requirements, were in their line, and so they were expected to make them even though it might mean extensive retooling of their plants.

What the general public did not expect, however, was that the automotive plants would also turn out guns, gun carriages, shells, fire control instruments and tank components. Although they seem to have no connection with the automotive industry, for many months now such war equipment had been made under the direction of Canadian automobile manufacturers.

The achievement, amazing as it is, is not so surprising when the nature of the industry is considered.

Built On Research

To begin with, it is largely a metal-using industry. Its technique includes the assembly line principle, making possible extentive use of sub-contractors. Above all, all its activities are based on research. Its engineers are accustomed to grappling with hard problems, surmounting difficulties, envisioning new designs and improvements. Moreover, its thousands of skilled technicians can readily adapt themselves to making new products.

In pre-war years success of the automotive industry was based largely on research work and an adaptability that helped it to meet new conditions as they arose and satisfy the demands of an exacting public. The war has proved the value of this in enabling automobile manufacturers, while manufacturing mechanized vehicles at record-breaking levels to supply, in addition, various implements of war from airplane engine barrels to gun mounts, and hand-crank generators to field guns.

Use Small Industries

The production line technique and the ability to use sub-contractors has enabled the industry to use many small manufacturing establishments provided they had the necessary efficiency. Advantage of this has been double-barrelled:

1. It has enabled small industries to operate under war conditions, when otherwise, if left to produce civilian goods only, they might have been unable to obtain the necessary raw materials; 2. It has facilitated production of war materials.

Accordingly the automotive industry has proved that while it is primarily established to produce automobiles, it can turn its hand to a great variety of other tasks. The brains and skill that can turn out streamlined flexible motor cars or powerful, economical heavy trucks, when given a new job on which they are unaccustomed, can often evolve new techniques more efficiently and even improve on original designs.

Apart from mechanical transport being turned out by the Canadian automotive industry or with its assistance it produces the following:

Aircraft components.
Aircraft fuselages.
Anti-tank gun carriages.
Aircraft torpedo tubes.
Browning machine guns.
Dynamometers.
Fire control instruments.
Gyro motors.
Gun parts.
Gun sights.
25-pounder guns.
6-volt hand crank generators.
Machine tools.
Naval gun mountings.
Primers.
Shells.
Shell components.
Tank components.
Telescopic gun sights.

Aircraft Engines

A specific case in which an automobile manufacturing company stepped into the breach was when Ford of Canada started casting cylindrical barrels for "Cheetah" aircraft engines, by a centrifugal process. This not only broke a bottleneck in the air training plan, but also eliminated much of the machining involved when these parts were made in England. Result was important economics in machine tools, metal and man hours.

This was done on top of their main job of manufacturing military transports and universal carriers, on which the company has concentrated its huge plant.

25-Pounder Guns

Another example was the work done by the Chrysler Corp. of Canada in manufacturing guns at Sorel. Like the other companies, Chrysler's main war job was production of mechanized vehicles. But it proved its adaptability when, on request of the Dominion Government, it stepped into the gun plant of Sorel Industries Ltd. where, with its highly trained executives and technical experts who assumed responsibility for getting the plant into operation, mass production became an accomplished fact.

This big plant was started in 1939 by Sorel Industries Ltd. to make guns. As there were no gun experts available either in Britain or France, technicians from France were enlisted, and by Apr., 1940, the first units were being turned out. But when France collapsed, the French technicians went home. It was then the Canadian Government asked Chrysler to come in, with eminently satisfactory results. Chrysler has also produced other weapons and components, ammunition, sights, fuse parts, in addition of course to making mechanized vehicles.

Machine Guns

General Motors of Canada is linked with production of the Browning Machine gun especially. Machine guns were urgently needed by Canada and her allies. So a group of automotive engineers were called together and told the Government wanted them to make these weapons. None knew anything about making machine guns but they knew how to read plans and specifications, and they knew about mass production.

In a few weeks plans were drafted for turning out machine guns in the same way automobiles are manufactured. Automotive engineers broke down the manufacture of the Browning machine gun into about 1,800 comparatively simple operations. Accordingly, while manufacture of such a gun calls for a high degree of precision and would normally require highly skilled craftsmen, it was found by the new method that many unskilled or semi-skilled workers could do the job.

Under supervision of General Motors of Canada, the plant of Border Cities Industries with a million-dollar building and $7 millions of equipment was established and production of the deadly Browning machine gun was started. This contract, it is understood, has been finished and retooling for a new gun contract has been completed.

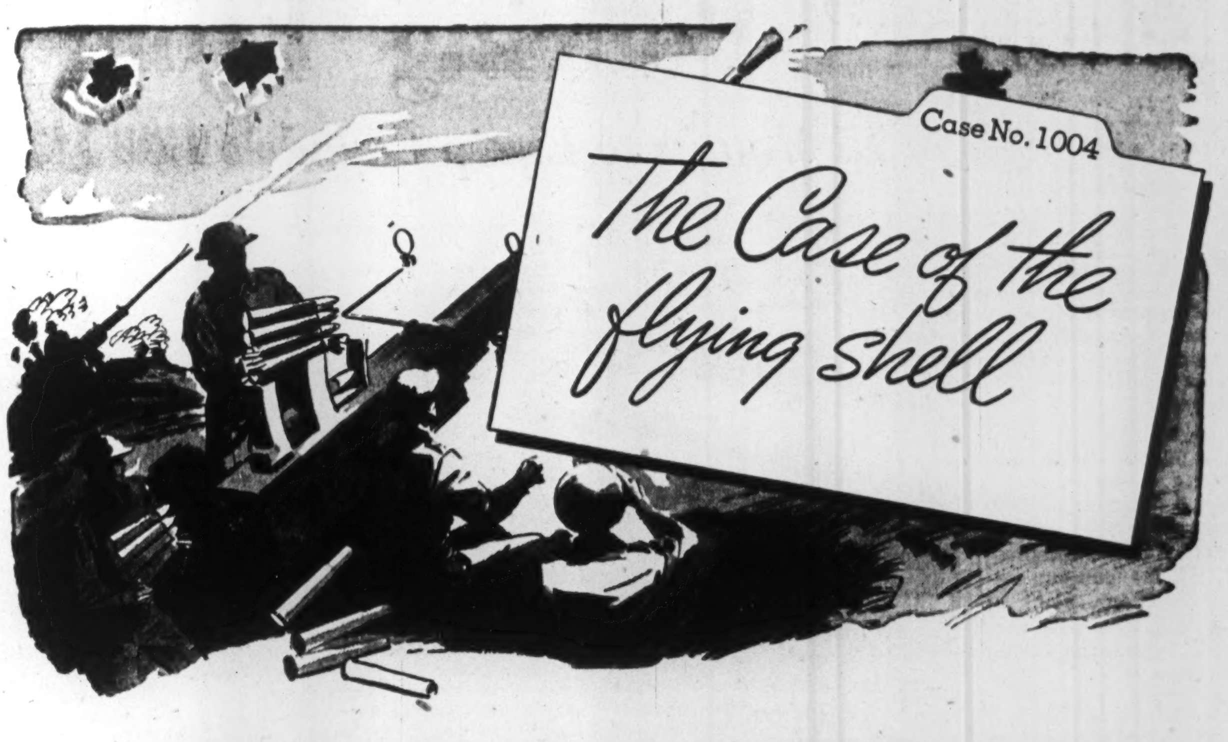
Economies

At the big Oshawa plant G. M. engineers, preparing to produce gun mounts, developed a method of making these of structural steel instead of cast steel. Found satisfactory, they cost $275 each instead of $594 as formerly and took 600 lb. less material. The Oshawa plant is also making fuselages for Mosquito aircraft, tank hulls and many things on the secret list.

General Motors at Regina has also been adapted to making carriages for anti-tank guns. A complete remodelling job was necessary but in six months the first gun carriage came off the assembly line. Later it was decided to transfer the manufacture of single Oerilikon gun mounts from the Oshawa plant to Regina and more recently it was decided to make the twin mounts for this gun. Result is a substantial expansion of operations and employment at Regina.

At McKinnon Industries, a G. M. subsidiary, improved manufacturing devices cut the cost of manufacturing fuses by 66%. Use of zinc alloy and a die casting method of operation speeded up production materially. In addition, elevating and traversing gear equipment dynamometers, gyro motors, aircraft torpedo tubes and many other articles are also made.

Thus the automotive industry has not only performed a gigantic task in its own field of vehicle production but has increased the Canadian output for the United Nations, of various other pieces of war equipment. Even automobile sales agencies, in some cases, finding the sale of civilian cars restricted have installed machine shops to make odd pieces for war equipment, giving further evidence of the resourcefulness and versatility of the industry generally.



Production slow down in vital war plant . . . cause: drawing oil,
operators say

PROBLEM: To provide Drawing Oil for large shell case plant which will give maximum die life, minimize rejects and eliminate foaming.

SOLUTION: B-A Industrial Engineers studied the specifications, the materials, the machines, the dies and the condition of the drawn cases. They then recommended B-A 2113 Soluble Oil.

RESULT: Die life was increased, rejects decreased and foaming was eliminated. The cases were so clean that a final washing operation was eliminated. Resultant time savings speeded up production. Moreover, a 75% saving in drawing oil was obtained.

Complete details of this and many other case histories are on file. Each shows conclusively that B-A Industrial Engineers supported by B-A's line of Industrial Lubricants can definitely offer manufacturers greater efficiency on machine tools, material and man hours with corresponding increase in production. Let B-A Industrial Engineers extend this proven service to you!

B-A'S LINE OF INDUSTRIAL LUBRICANTS INCLUDES:

B-A SULFERCUTS — Where maximum cutting speed combined with maximum finish is desired.

B-A CUT AID — Cutting energizer for machining aluminum and magnesium.

B-A MULSICUT 2165 — A soluble cutting oil, fully miscible with water in all proportions, and minimizing dermatitis on skin of operators.

B-A DRAWING COMPOUNDS — Soluble pastes and oils for every die forming and extrusion process.

B-A QUENCHING OILS and all other types of Industrial Lubricants.

SERVICE B-A PRODUCTS

THE BRITISH AMERICAN OIL COMPANY LIMITED

It cost me a million marks in Germany for just *one cigarette*!

Let's keep our dollar strong!

INFLATION is no strictly European bogeyman. After the last war, Canadian prices soared to double the pre-war level. Conditions were not as bad here as in Germany, it's true—but halving the value of your money is certainly bad enough.

This time, our situation could be worse than it was a quarter century ago. Canada's war effort in relation to her national income is now four or five times as great as in 1914-1918.

Canadians get paid for all the work they do but only part of that work goes to make goods for Canadians to buy. The rest goes to war materials. There are enough needed goods available for civilian requirements but not enough to satisfy every desire.

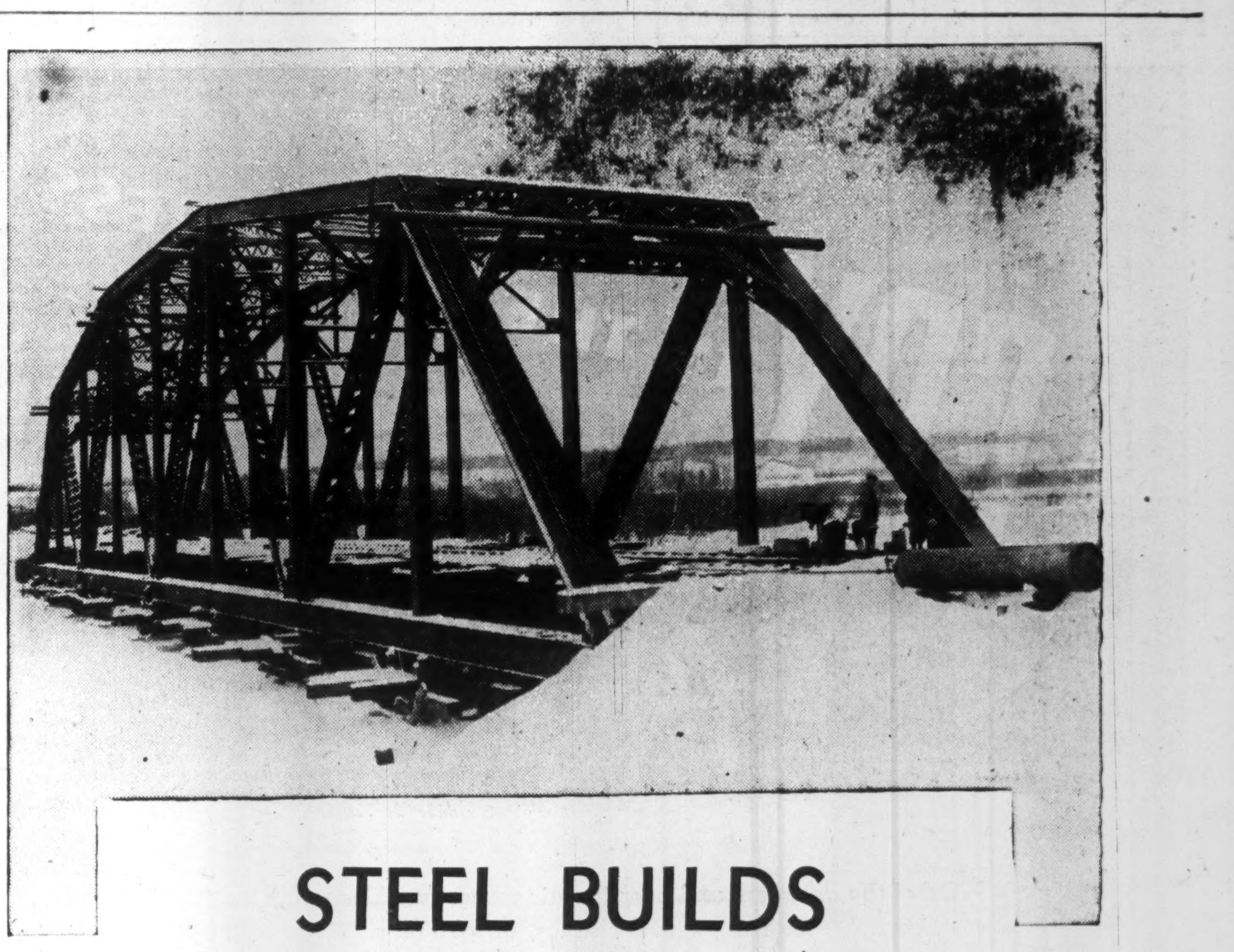
If we had no controls and no high taxes on incomes, prices could much more than double during and after this war.

The Government has done its part with price ceilings, wage stabilization, profit limitation, production controls and measures to ensure a fair distribution of goods.

It is now up to *us* to carry the ball. Let's pay our taxes and buy only what we *need*—then put the rest of our money into War Savings Certificates and Victory Bonds. It's everyone's duty to respect and obey the wage control laws, to shun black markets and report evasions of the price ceilings.

This advertisement contributed to Canada's Price Stabilization Campaign by

THE STUDEBAKER CORPORATION OF CANADA, LIMITED • WINDSOR, ONTARIO



STEEL BUILDS BETTER BRIDGES

Structural Steel is made exactly to well-defined specifications — sections are rolled to pre-determined standards, fabricated precisely as planned by designers and erected by experts. All along the line the possibility of error in carrying out a design is virtually eliminated.

The long experience of this company in Steel Construction — Engineering, Fabrication and Erection — is added assurance of true engineering economy to owners of bridges and buildings.

Ask HAMILTON BRIDGE COMPANY LIMITED
HAMILTON, ONT. VANCOUVER, B.C.
ENGINEERING FABRICATION ERECTION

Pouring From Polymer

(Continued from page 17)

lysts). When polymerization is complete a blowdown valve is opened and the mixture pumped to butadiene recovery tanks.

The polymerized mixture—now actually a latex—is coagulated in a mixture of dilute acid and common salt brine to control flake size. Water is filtered off, the flake dried in great batteries of travel ovens and then pressed into 75-lb. bales which are shipped to the rubber mill, each in a close-fitting cardboard box.

Canada's New Plant

At a cost of about $48 millions, the government-owned Polymer Corp. plant now is estimated to produce annually 34,000 long tons of Buna-S and 7,000 short tons of Butyl rubber.

First sod was turned Aug. 10, 1942; less than 14 months later, the plant was producing Buna-S rubber commercially at half capacity. The Buna-S is made from styrene produced at the plant itself, the butadiene being imported from U. S.

This arrangement was worked out as part of the continent-wide synthetic rubber production program. In all there are 19 plants in U. S. and Canada operating to a deadline based on earlier expectation the crude rubber stockpile would be exhausted by end of Feb., 1944.

Stringent control of crude rubber use, however, has made the stockpile outlast the estimated date and commercial production of synthetic has beaten the deadline. This represents a creditable performance all round.

Following Sarnia's initial output of Buna-S, construction facilities were concentrated on the butadiene plant which went into operation at the end of Dec., 1943. Just before that, the Butyl rubber plant was taken over by the operators.

The entire project began to function in unison a week or so ago.

Sarnia is Self-Contained

The Canadian plant is unique among synthetic rubber plants on the continent, writes Editor Eric Crawford in Canadian Machinery (MacLean Publishing Co., Toronto), in that it produces its own Buna-S, butyl rubber, styrene, butadiene and isobutylene, as well as steam and electric power.

It is, in fact, reports Mr. Crawford from Sarnia, 10 separate factories spreading over 22 streets, with its own hospital, police station and firehall, general store and post office. There are even bowling alleys and a ball park and of course cafeteria and dining halls. One of the latter is being used as a movie theatre.

Five famous engineering firms and four contractors employed 5,579 men and women at site and, in addition, tens of thousands of man-hours have gone into materials such as steel girders and plate, pipes and valves, towers and tanks, motors and other components in buildings, outside structures and equipment, docks, roads and housing.

With the last construction man gone, it is estimated the plant will within a week or two employ only about 1,294 men and 325 women.

Its location is strategic.

Sarnia on the St. Clair River, is intake point for the safest and most reliable source of crude oil coming into Canada, namely, the Imperial Oil pipeline from U. S. mid-continent fields. With a steady-flowing river adjacent, the plant needs minimum lift and no cooling towers. It is especially handy because Polymer uses immense quantities of water—45 million Imperial gallons a year.

Soo, Hamilton Benzol

Benzol from steel-mill coke ovens at Sault Ste. Marie and Hamilton come by tanker at the rate of 2.25 million Imperial gallons a year.

Great quantities of brine are consumed. Some such plants have to dissolve salt, but Polymer's brine comes ready made from Dominion Salt Co., Sarnia, in Polymer tank trucks.

Coal is needed—500,000 tons a year. It can be brought by water and docked right at the plant.

And as for location of the plant in relation to its consumers, Sarnia synthetic rubber can be shipped by water, rail or road to relatively nearby Kitchener, Hamilton and Toronto, where are situated most of the Canadian rubber-processing factories.

The ten "factories" making up the sprawling Polymer giant are: 1. Supersuspensoid cracking coil; 2. Light ends recovery unit; 3. Isobutylene extraction unit; 4. Butylene concentration unit; 5. Butadiene unit; 6. Styrene unit; 7. Buna-S unit; 8. Butyl unit; 9. Steam and power plant (Canada's largest and reputed one of the world's largest); and 10. Pumping station.

Managing Companies

St. Clair Processing Corp., Dow Chemical Co. of Canada, and Canadian Synthetic Rubber Ltd., are managing the highly complex operations for Polymer on a fee basis. The first named, an Imperial Oil subsidiary, is in charge of feed preparation units (cracking, recovery, extraction, concentration) as well as butadiene and butyl rubber units, a power plant, pumphouse, machine shops and warehouse.

Dow Chemical of Canada at Sarnia, subsidiary of Dow Chemical of Canada at Midland, Mich., has the styrene unit, supervised its construction and is now operating it with a Sarnia payroll of about 94. Dow, by the way, was first commercial producer of U. S. styrene.

Canadian Synthetic Rubber Ltd. is a subsidiary of four Canadian rubber processing companies—Goodyear Tire & Rubber Co., Firestone Tire & Rubber Co., Dominion Rubber Co. (itself a subsidiary of United States Rubber Co.) and B. F. Goodrich Rubber Co. Canadian Synthetic operates the Buna-S unit with about 300 on its payroll. In addition, Polymer's own payroll is about 225.

Manufacturers, ordinarily keen competitors, have shared every development in the entire synthetic rubber program.

In training operators for the Polymer plant, the first group selected to operate the styrene plant went to Midland, Mich., Sept. 1942, under Dom Chemical auspices. Canadian Synthetic Rubber's trainees were selected from Canadian industry and sent to Akron plants. Butyl rubber and petroleum feed separation squads followed initial training at Sarnia by special courses in synthetic rubber plants at Baton Rouge, La., Beeton, Tex., and Elizabeth, N.J.

Munitions Minister Howe has intimated that after the war the Sarnia plants will continue under government ownership and be operated for the benefit of the Canadian people.

Immediate postwar possibilities are perhaps greatest in production of polystyrene and butadiene—now produced in making synthetic rubber—which are both plastics and have already been used to make battery cases and costume jewellery.

Company Reports

Provincial Transport

Year ended Dec. 31

	1943	1942
Net profit	$158,911	$188,598
Earned per share*	63⅛c	75.4c
Paid per share	40c	40c
Working capital	627,318	239,429

*Including refundable E. P. tax, amounting to 46 cents a share in 1943 and 29.7 cents in 1942.

(Comparative 1942 figures bracketed).

Provincial Transport Co. established an all-time passenger revenue record in 1943 of $3,951,991 ($2,780,796).

During the year the company appropriated $300,000 from profit and loss surplus in setting up a contingency reserve. Property account increased in value to $2,232,172 ($2,176,462). Cash, call loans and Government bonds stand on the books at $1,070,586 ($758,740).

War regulations governing bus journeys and the shortage of equipment made for difficult operations. Buses ordered two years ago have not been delivered, reported President W. S. Hart.

Burlington Steel

Years ended Dec. 31:	1943	1942
Earned per share	$0.88	$1.14
Paid	0.60	0.60
Working capital	1,219,710	1,133,489

(Corresponding 1942 figures bracketed).

Tonnage sales declined 8% and dollar value of sales 5% in 1943, reports Burlington Steel Co. Net profit for the year was lower at $123,637 ($159,749) and a further drop in net seems indicated for 1944, states H. J. Stambaugh, president, who says that the continued rise in labor costs, accompanied by curtailed operations and ceiling prices, have reduced the margin of profit in the steel industry.

While the rolling mill was operated at full capacity in 1943, operations were curtailed in some secondary departments producing non-essential items, says Mr. Stambaugh, and reduced war demands plus continuing government restrictions on construction and the manufacture of consumer goods made some curtailment necessary at the beginning of 1944.

With raw materials now in plentiful supply, however, the company expects restrictions will presently be lifted permitting fuller operation.

Operating profit for 1943 was $252,266 ($469,860). This decrease was accompanied by a decrease in taxes from ($275,913) to $91,000 in 1943.

Inventories, carried at pre-war values, amounted to $529,591 at Dec. 31, 1943 ($547,785). Investments were shown at $720,002 ($547,191).

N. B. Telephone

Year ended Dec. 31

	1943	1942
Net profit*	$299,547	$366,976
Earned per share	0.47	0.57
Paid per share	0.50	0.50
Working capital	439,336	121,569

* Excluding refundable portion of E. P. tax, amounting to $74,263 in 1943 and $23,535 in 1942.

(Comparative 1942 figures bracketed).

Operations of New Brunswick Telephone Co. were on a record scale in 1943. At the end of the year the company had 40,648 stations in operation, an increase during the year of 1,773. Gross revenue reached a figure of $2,427,917 ($2,114,782).

The balance sheet shows a strengthening of working capital. Investment in property increased to $9,406,978 ($9,086,061). The bank loan remains much the same at $491,250. Notes sold to trustee of pension fund increased to $214,989 ($169,572) and number of shares outstanding to $639,456 (638,677).

Crown Cork & Seal

Years ended Dec. 31:	1943	1942
Earned per share	$2.22	$2.27
Paid	2.00	2.00
Working capital	$938,073	$682,274

(Comparative 1942 figures bracketed).

Operating profit of Crown Cork & Seal for 1943 after depreciation was $595,349 ($609,887), and net profit after all taxes which, including refundable taxes, amounted to $385,389 ($339,108), was $222,378 ($227,154). Earned surplus at Dec. 31, 1943 was $704,672 ($634,030).

Current assets of $1,235,793 ($989,521) included a new item of $400,000 in Dominion overnment bonds. Current liabilities were $297,720 ($307,427).

Cosmos Imperial Mills

Years ended Dec. 31:	1943	1942
Earned per share*	$1.56	$2.07
Paid	1.35	1.35
Working capital	1,654,113	1,524,748

*Plus refundable E.P.T. amounting to 19c per share in 1943 and 9c per share in 1942.

(Previous year's figures bracketed below).

Net profits of Cosmos Imperial Mills Ltd., and its subsidiary, J. Spencer Turner Co., for the year ended Dec. 31, 1943, were $156,452 ($207,040), after provision of $179,000 ($173,419) for taxes, and, in 1943, a special contingency reserve appropriation of $10,000. W. S. Burrill, president, stated that a substantial volume of business for both war and essential civilian requirements was carried into this year and that there is no indication of lessening demand in the near future.

Holdings of cash and Dominion bonds increased during the year to $956,963 ($538,510), and accounts receivable to $423,432 ($295,172). Inventory dropped sharply to $276,310 ($1,688,724). Refundable E.P.T. now totals $28,837 ($9,371).

Current liabilities were reduced substantially during the year to $112,748 ($1,070,892). Chief reduction was the elimination of bank loans, which stood last year at $905,000. Redemption of $38,000 debentures falling due Oct. 1, 1943, reduced debentures outstanding to $266,000 ($304,000). Reserve for depreciation was increased to $1,536,684 ($1,377,755), contingencies reserve to $100,238 ($88,740).

Cons. Oka Sand

Year Ended Dec. 31

	1943	1942
Net loss	$18,756	$ 44,739
Working capital	68,373	*384,721

*Excess of current liabilities.

(Comparative 1942 figures bracketed.)

Consolidated Oka Sand & Gravel Co.'s statement for 1943, first to be issued since the reorganization last year, reveals a net loss on the year's operations of $18,756 ($44,737). Included in charges against operations were winter repairs amounting to $50,119 which were considerably higher.

Following the reorganization there was a surplus in the profit and loss account of $30,613. Against this the company made certain adjustments, wrote off reorganization expenses and $47,674 loss on disposal of fleet and equipment. Added to this was an operating loss for 1943, which resulted in a deficit of $36,388 being carried forward.

The balance sheet reflects changes brought about by the reorganization, but comparative figures for 1942 are not available.

Page Hersey Tubes

Years Ended Dec. 31

	1943	1942
Earned per share*	$4.42	$5.41
Paid	5.00	5.00
Working capital	8,038,769	8,016,260
*Includes refundable taxes of	$0.03	$0.36

(Corresponding 1942 figures bracketed below.)

Page-Hersey's net profit for 1943 declined to $895,705 ($943,360) as a result of a falling-off in sales and an increase in the cost of materials and labor. Labor costs per ton of finished tubes, states A. W. Holmested, president, increased 36% in 1943 over 1942 and have advanced 75% since the beginning of the war, and the cost of the semi-finished iron and steel the company uses, though little changed in 1943, has advanced 52% since 1939.

A drop from ($3,522,698) to $2,960,219 is shown in inventories. Early in the year, says Mr. Holmsted, it was decided to reduce inventories drastically but new developments later on prompted the company to adopt a middle course, and the change has had good results. Additions to plant and equipment cost $242,595.

Currently, improvement is foreseen in both domestic and export business. Suspended in 1942, export business was recently resumed. Fair orders were reported booked some time ago, and export tonnage, it is stated, should continue to increase. Pipe for civilian use has been freed of restrictions and this should help in the domestic market.

Page-Hersey has no problem of reconversion from wartime to civilian requirements, states Mr. Holmsted. He believes the company should benefit greatly from contemplated housing programs planned for the postwar period.

Admiral Beatty Hotel

Admiral Beatty Hotel Co., Saint John, N.B., reports 81,139 guests were provided with rooms during 1943, compared with 73,501 in 1942. Food revenues were higher by 51½%, and net income from all sources last year increased $30,141 ($6,106).

According to President F. P. Starr, gross operating profit last year was $126,010 ($88,953); from this was deducted expenses of $75,768, leaving a net operating profit of $50,224 ($10,206). From the net profit $20,100 was deducted in federal taxes ($4,100).

Okalta Oils

(Years Ended Dec. 31)

Net loss	$29,911	*$14,002
Working capital	253,466	282,634

*Profit.

A net loss of $29,911 is reported by Okalta Oils for 1943 compared with a $14,002 profit for 1942. Earnings in 1943 were after $100,291 amortization of the cost of wells compared with $113,452 for 1942.

Twelve locations were approved in Turner Valley for drilling of wells with finances provided by Wartime Oils. Four of these wells have been completed and two more are drilling. President W. S. Herron states that the company is looking forward to an active year of development which should see completion of another four wells on the company's acreage.

Insurance Reports

American Auto

Total assets up $3,3 millions.
Investments rise $4 millions.
Policyholders surplus up.

Total assets of almost $31.6 millions are shown by the American Automobile Insurance Co. in its annual report for the year ended Dec. 31, 1943. Of this figure, $23 millions are in high-grade securities, over $4 millions more than at the end of the previous year. Cash on hand was lower, but premiums due were higher. Total policyholders' surplus increased by more than $1 million to over $13 millions.

The American Automobile Insurance Co. in Canada, operates under the management of Shaw & Begg Ltd., Toronto.

	1943 $	1942 $
Assets	31,579,130	28,297,875
Securities	23,023,086	18,822,986
Cash	5,670,112	7,074,460
Premiums due	2,864,031	2,371,016
Unearned prem. res.	7,021,763	7,670,787
Surplus	11,087,722	10,054,969
Policyholders surplus	13,087,722	12,054,969

Portage La Prairie

Underwriting gain up.
Total assets higher.
Surplus shows increase.

The Portage La Prairie Mutual Insurance Co. had the most prosperous year in its 60 years history, M. G. Tidsbury president reported at the annual meeting in Portage La Prairie.

Assets increased during the year by $145,101 while liabilities rose $85,083, due to the special reserves raised for unlicensed unsecured reinsurance, thereby increasing the surplus by $60,018 or 9.9%. Admitted assets at over $1.1 million were up 14.60% on the year.

Both premium, note and cash business were up during the year with fire insurance in force on the company's books on Dec. 31 $94.4 millions of which $14.4 millions was reinsured. Windstorm insurance on the company's books totals over $3.2 millions with $980,193 reinsured.

Important items from the report with comparisons follow.

	1943 $	1942 $
Net premiums earned	339,909	338,675
Net losses & exp.	273,647	273,945
Underwr. gain	66,262	64,730
Int. earned	27,939	26,193
General revenue	129,440	107,107
Charges	25,459	17,322
Net gain for year	103,980	89,785
Total assets	1,138,382	993,281
Res. unearned prems.	166,095	155,625
Surplus	666,233	606,214

St. Paul Fire

Assets up $5.5 millions.
Capital and surplus increase.
Underwriting profit gains.

Underwriting profit of the St. Paul Fire & Marine Insurance Co. for the year ended Dec. 31, 1943 over $1.3 millions was about $660,000 higher than in the previous year the annual report reveals. Net premiums for the year were down $928,435.

Total assets at $59.8 millions were $5.5 millions higher than at the end of the previous year.

Of the total assets, almost $31 millions are in bonds, at market value while stocks are shown at $19.5 millions.

The company has two subsidiaries, Saint Paul-Mercury Indemnity Co. and Mercury Insurance Co. Total assets of the Saint Paul-Mercury on Dec. 31 were $20.1 millions and of the Mercury Insurance Co. $8.4 millions.

Important items in the report of the St. Paul Fire & Marine with comparisons follow.

	1943 $	1942 $
Net premiums	18,088,140	10,016,578
Underwriting profit	1,379,914	719,609
Unearned prems.	12,115,874	11,574,984
Assets	59,870,563	54,361,202
Capital & surplus	39,531,628	36,922,229

C-11861 "Eleven-Eight-Six-One"

C-12510 "Twelve-Five-Ten"

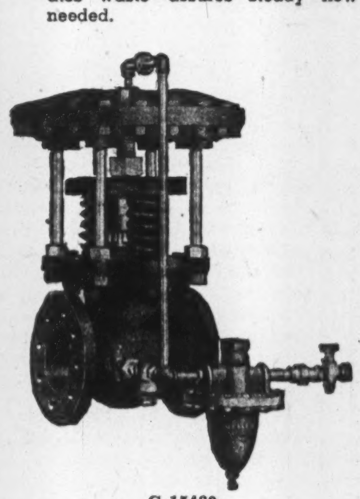
MUELLER SERVES INDUSTRY

MUELLER
Combination Sink Faucets
"Eleven - Eight - Six - One"
Luxuriously styled with no intricate mechanisms to adjust — easily removable seats — quick and simple installation.

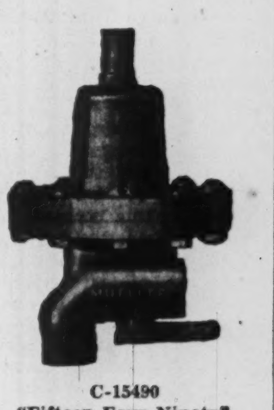
MUELLER
Ordinary Compressing Faucet
"Twelve - Five - Ten"
Lavatory Faucet with four-arm metal indexed handle, coupling nut and tail, attractively designed for long life and efficient service.

MUELLER
Reducing and Regulating Valves
"Fifteen - Four - Sixty"
Auxiliary operated reducing valve holds delivery to close limits. Flanged or screwed ends. Used extensively for water, steam, air and oil. Eliminates waste—assures steady flow where most needed.

MUELLER
Relief Valves
"Fifteen - Four - Ninety"
Diaphragm operated for Hot and Cold water, Air and Oil. Pressures up to 150 lbs. Rust-proof, guarantees safe protection and dependable action . . . freedom from service calls.


C-15460 "Fifteen-Four-Sixty"

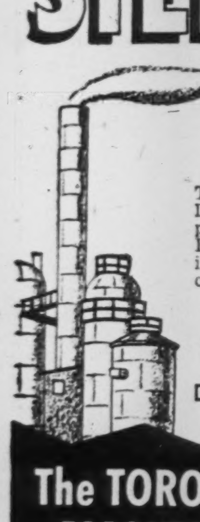
"Mueller Valves" Work for Victory
In the smooth functioning of Canada's huge war plants Mueller Relief Valves are playing an important part in maintaining efficiency and production.
In the home of the war worker and the camps and schools of our service men "Mueller" valves are "On Duty" around the clock.

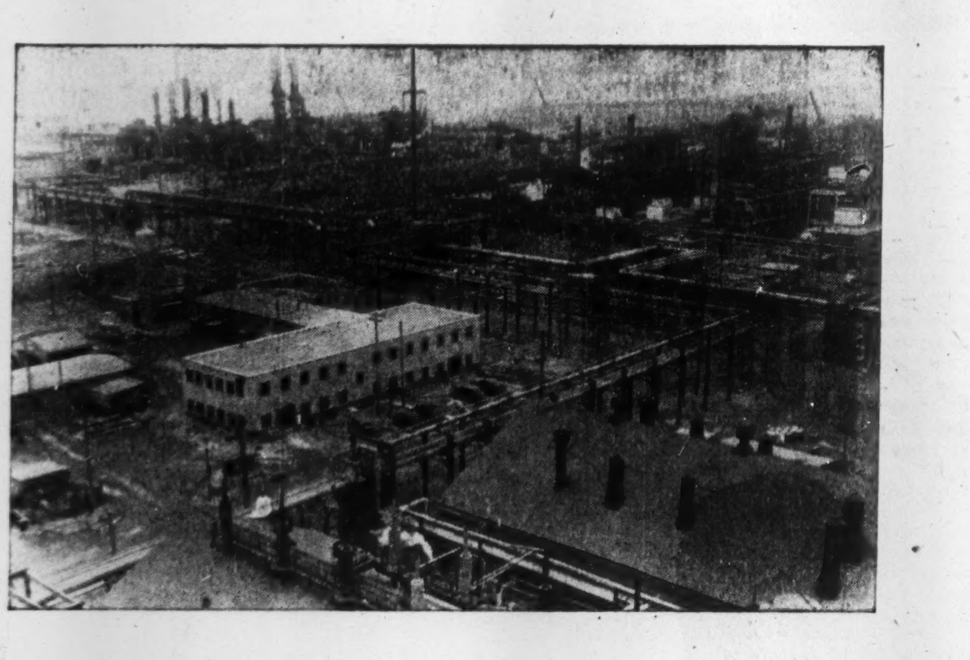

C-15490 "Fifteen-Four-Ninety"

Tapping machines and Service . . . Fittings for water and gas . . . Brass Forgings, etc.

Write for Quotations

MUELLER LIMITED
DEPENDABLE SINCE 1857 FULLY WARRANTED
SARNIA — ONTARIO


STEEL-PLATE Work
FOR CANADA'S WAR INDUSTRY
The plant and facilities of Toronto Iron Works, Limited, are constantly turning out important steel plate units essential to our country's war industry. Despite these heavy demands, we are not overlooking other customers and shall endeavour to take care of orders for . . .
STORAGE TANKS - PRESSURE TANKS
BINS and HOPPERS - STEEL STACKS
WELDED and RIVETTED STEEL PIPE
Designed - Fabricated - Erected
The TORONTO IRON WORKS Limited
TORONTO MONTREAL



Sinews of Steel ... Tailor-Made, On a Moment's Notice
For the POLYMER PLANT

Fabricating and erecting steel is exacting, specialized work requiring long range planning, so extreme is the accuracy and extensive the arrangements to organize for production.

But formidable as these obstacles are, the seemingly impossible was accomplished time and again during the construction of the Polymer Plant. Sarnia Bridge supplied tailor-made steel literally at a moment's notice.

In addition to the fabrication and erection of steel Sarnia Bridge services included designing and building special equipment and altering and repairing existing equipment for the contractors — supplying over 32,000 machined pipe flanges — providing large quantities of Safway Steel Scaffold . . . all of which helped speed production. At the same time our plant was also occupied in completing regular war contracts.

Our engineering department will be pleased to work with you on special problems. Enquiries invited.

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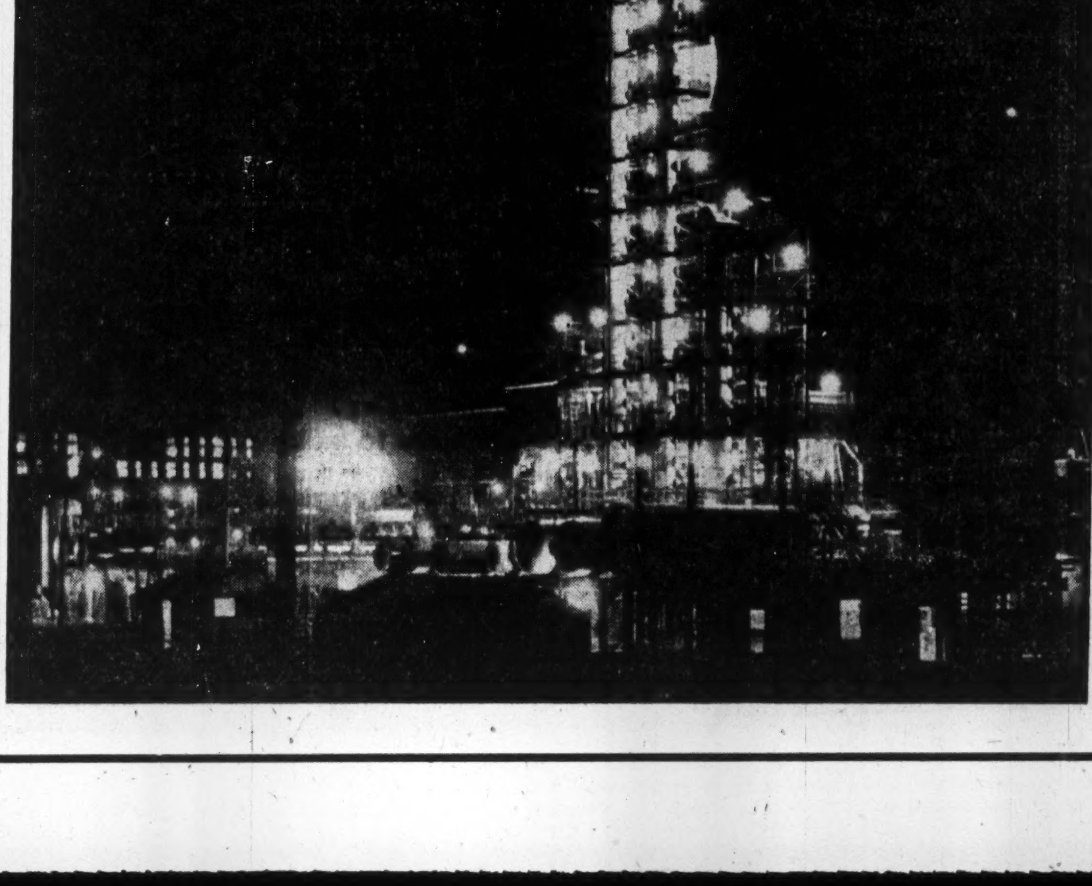

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Is Southern Pine a Threat?

Post Writer Describes Big Development of Kraft And Miscellaneous Paper Production in the South

To determine the real facts regarding southern pine, The Financial Post sent its pulp and paper editor, John E. Langdon, on a 3,500 mile tour of the southeastern United States. This is the fifth and final article of the series.

By JOHN E. LANGDON

Growth of the pine kraft industry in the southern United States has been the outstanding development in the North American pulp and paper industry over the past 15 years. Between 1925 and 1930, capacity increased to 3,424 tons daily; in the next 5 years to 4,678 tons; by 1940 to 9,840 tons, and now it is around 10,600 tons.

Back of this development has been a sky-rocketing demand for shipping container board, which is actually a thick paper noted for its strength. Between 1928 and 1942—a period of only 14 years—American production of container board jumped from 1,840,500 to 3,597,700 tons. In the same period container board made from kraft pulp spiralled from 167,000 to 1,760,000 tons.

This tenfold increase in production since 1928 has been brought about almost in its entirety by the expansion of the southern industry.

Biggest in the World

These southern mills are modern, efficient and big. For example, International Paper Co. operates both in Canada and the southern States. Its newsprint mill at Three Rivers with a capacity of 800 tons daily is one of the largest of its kind in the world. Yet at Georgetown, S.C., this company operates a kraft container mill half as large again. This mill is no exception. There are others whose size is equally impressive. It would be a mistake for Canadians to think that the southern kraft industry is not a big scale development.

Equally erroneous is the idea held by many that southern pine pulpwood is utilized only for kraft container board. Kraft container is an important product, but there is also a large production of wrapping paper and pulp for conversion. Then, too, kraft or sulphate pulp is being bleached and made into white papers, index boards, wrapping papers and even rayon.

Big Step Forward

The latter accomplishment—bleaching—should be noted carefully. It is of the utmost importance, for the possible influence it may have on long-range operations of the southern industry.

Bleaching of southern pine without unduly impairing its strength requires a high degree of technical skill. Each mill has had to work out its own problems. Years and large sums of money have been spent in working out suitable formulae.

What knowledge was gained of the bleaching operations was given willingly enough, but not for publication. However, the success of this venture and the quality of the bleached sulphate pulps is apparent, even to the lay mind, in the products now going to the consumer.

Need for Capacity

It is a moot point whether the southern kraft industry expanded too rapidly. Overexpansion never became the problem that it did for the Canadian newsprint industry for, when the war came along, there was an immediate market for all the container board, wrapping paper and other pulp and paper products that could be made. Hundreds of new wartime uses were developed for kraft container board and papers. The problem of the southern mills has been to find enough wood to make the products needed to meet war and civilian demands.

At present the southern mills are riding high. After the war, what then?

Will there be a slump in the kraft industry? Will these huge machines be turned to the manufacture of other products, some of which may come into competition with Canadian mills?

Confidence in Future

Those who follow the kraft market are not all pessimistic over the outlook and neither are they foolishly optimistic. They say that the war demands will be replaced by deferred civilian demands.

Containers will be needed to "box" radios, refrigerators, electrical appliances, furniture, butter, lard, and beans.

A huge prospective market is seen in the packaging of citrous fruits. This is a comparatively untouched market which the industry plans to exploit fully once the war is over.

Then there is the further development of the special boxes created to meet a wartime need, and which are expected to find wide application in peacetime.

There is the market for paper bags, milk bottles, caps, plugs, pie plates, ice cream containers, multiwall bags for garments, cement, flour, and other bulky products.

Look for Refinements

No, the southern kraft industry does not expect any falling off in the long-term demand, but it does look forward to refinements.

For instance, the view was expressed that the manufacture of brown wrapping paper—more often referred to by the public as butcher paper—had reached its peak. Before the war a number of the large merchandising stores in the States, such as Marshall Field, Macey's and others, adopted distinctive types of wrapping paper. Others kept to brown paper, but had it printed with their trade mark or store name.

These merchants can afford special wrapping papers, because they order their supplies in huge quantities direct from the mills. The small dealer cannot do this. There is a growing sales resistance to the so-called butcher paper. It can and will be broken down, say the mill operators, by making available to all merchants a kraft wrapping paper of a more distinctive character.

This calls for refinements, such as bleached sulphate wrapping papers, colored or printed; in fact, anything to get away from "butcher" paper.

Develop New Packaging

Another development which the industry anticipates will show marked progress is in packaging. Even before the war there was a move on the part of the manufacturer to put up his product in individual containers. This permitted the retailer to display samples only. When one was ordered, the retailer simply put an address label on the manufacturer's container and sent it to the customer without further packaging.

Plans for the extension of this packaging service — manufacturer direct to consumer—have been highly developed by some companies as an after-war project.

They will not use the ordinary corrugated container which the public has become accustomed to seeing and handling, but will turn to specially designed packages, colored and printed in one or more colors so as to have eye appeal.

Threat to "White Paper"

In the event that the market for kraft container and wrapping paper, bleached or unbleached, fails to come up to expectations, there is the possibility the southern mills will pay more attention to the manufacture of white papers for ordinary business use.

Already some of the mills are producing a highly satisfactory white sheet from bleached sulphate. Production is relatively small, but if this field is developed in a major way, then the southern industry represents a real threat to the white paper makers of the northern States.

No Interest in Newsprint

Would some of these kraft mills turn to the manufacture of newsprint paper if the market for container board or wrapping paper collapsed? Some southern publishers express the hope they will, but mill operators agree that there is little or no possibility of such a development.

In the first place, only half of the mills are equipped to bleach sulphate pulp, a necessary step for the manufacture of newsprint paper. With the exception of Lufkin, none are equipped to make groundwood pulp, which is even more necessary.

Another stumbling block is the matter of transportation. The northern newsprint mills have a definite edge in low cost transport charges to the metropolitan cities, where most of the newsprint paper in the United States is used.

No Worry to Canada

Then, the suggestion that a bleached kraft paper of light weight might be suitable for newspaper printing, finds no response whatever. What is not generally realized is that lightweight wrapping paper, whether bleached or unbleached, is highly transparent. For newspaper printing the sheet must be opaque to eliminate what is commonly known in the press room as "show-through."

If the day should come when demand for kraft container board, liners, and wrapping paper should fall to a point where operations were unprofitable, these mills are likely to upgrade their product to produce the more profitable white papers. This view was confirmed by southern pulp and paper executives who, when asked about the "threat" of southern pine, invariably replied: "It is the white paper mills in the northern States that should worry about the southern pine development, not the Canadian newsprint mills."

Oil Production

Changed 'Climate' Said Oil Industry Need

From Our Own Correspondent

CALGARY.—Alberta's crude oil and natural gasoline production in 1943 totalled 9,675,298 bbl., compared with 10,150,211 bbl. in 1942, while revenue to producers totalled $15,724,518 in the past year, compared with $15,517,266 in 1942. Increased prices for Turner Valley oil brought the $200,000 revenue boost.

Year 1943 proved the first year to fail, since the opening of the Turner Valley crude oil area back in 1936 started Alberta's oil output skyrocketing from its former 1-1½ million bbl. annually, to show an increase over the output of the previous year. The 1943 oil and natural gasoline production averaged only 26,508 bbl. per day, down 1,300 bbl. from 1942's record average of 27,809 bbl. December 1943's daily average was only 24,760 bbl., a rate which continued into early 1944.

* * *

Drilling Decline Hurts

Prime reason for the production slump in 1943 was the decline in rate of drilling in Turner Valley, currently the province's single major oil field. Only 24 wells were placed on production in 1943 in this field, with a total output in the year of 1,140,529 bbl. In 1942, 29 wells were placed on production, their 1942 yield totalling 1,793,571 bbl., while in 1941 there were 41 wells placed on production, with a 1941 production total of 1,978,840 bbl. The 1941 and 1942 completions provide more than enough production in their year of completion to offset the decline in output of older producers. The reduced number of 1943 completions, however, fell short by 728,000 bbl. of fully offsetting the normal decline in previously completed wells.

The present outlook is that 1944 completions will also fail to offset decline in previously completed wells.

* * *

Outside Output Jumps

Production from Alberta sources outside of Turner Valley was boosted to 222,601 bbl. in 1943, compared with 146,276 bbl. in 1942, and 94,056 bbls. in 1941. Prime reason for the 1943 increase was the development of the Taber and Vermilion oil fields. The Vermilion field is now reported capable of pumping somewhere between 750 and 1,000 bbl. per day, while the Taber field now has a potential of at least 1,000 bbl., per day.

It is expected Taber and Vermilion will double and perhaps more than triple their 1943 output during the current year. The other minor oil areas should at least equal the 1943 yield in total. In addition, there are reasonable prospects for expecting that the record-scale geological and geophysical investigation carried out in Alberta in 1943, and the intensive drilling and survey work planned for 1944 will lead to the discovery of additional sources of oil before the year's end.

* * *

Demand Changed Setup

There is a chance, therefore, that Alberta's total oil yield in 1944 will closely tally with 1943. Whether or not future years will equal or exceed 1943 and 1944 output is dependent on numerous factors.

Some oil men say that continued high production of oil is dependent on government aid. Aid must be provided as follows they say:

There must be a further increase in prices paid the producer for his product, to encourage the drilling out of proved and semi-proved location in Turner Valley and elsewhere now regarded as not worth drilling under existing price schedules. There must be further revisions of taxation regulations, to permit return of invested capital before application of currently heavy tax rates, both as they apply to the company or corporation and to the indvidual investor, thus ensuring that, when production is obtained, backers of the well may recover capital.

There must be further easing of the provincial regulations governing leases and reservations, and crown royalty schedules, to reduce the costs of exploration for new oil sources.

There must be assurance of a market for all types of oil that may be secured. (Despite the critical shortage of crude oil and refined products in Canada, Vermilion output and development was seriously curtailed until mid-1943 because of difficulty in securing a market for the heavy 14 gravity crude. The output from Taber has been in recent months, and is still restricted to a fraction of the field's potential because of difficulty in securing transport and processing facilities and a market for the 18 crude).

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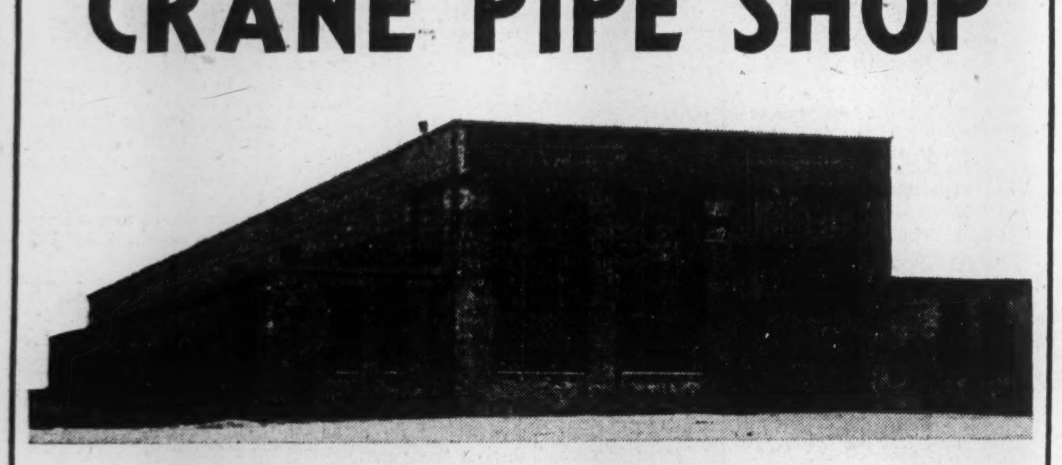

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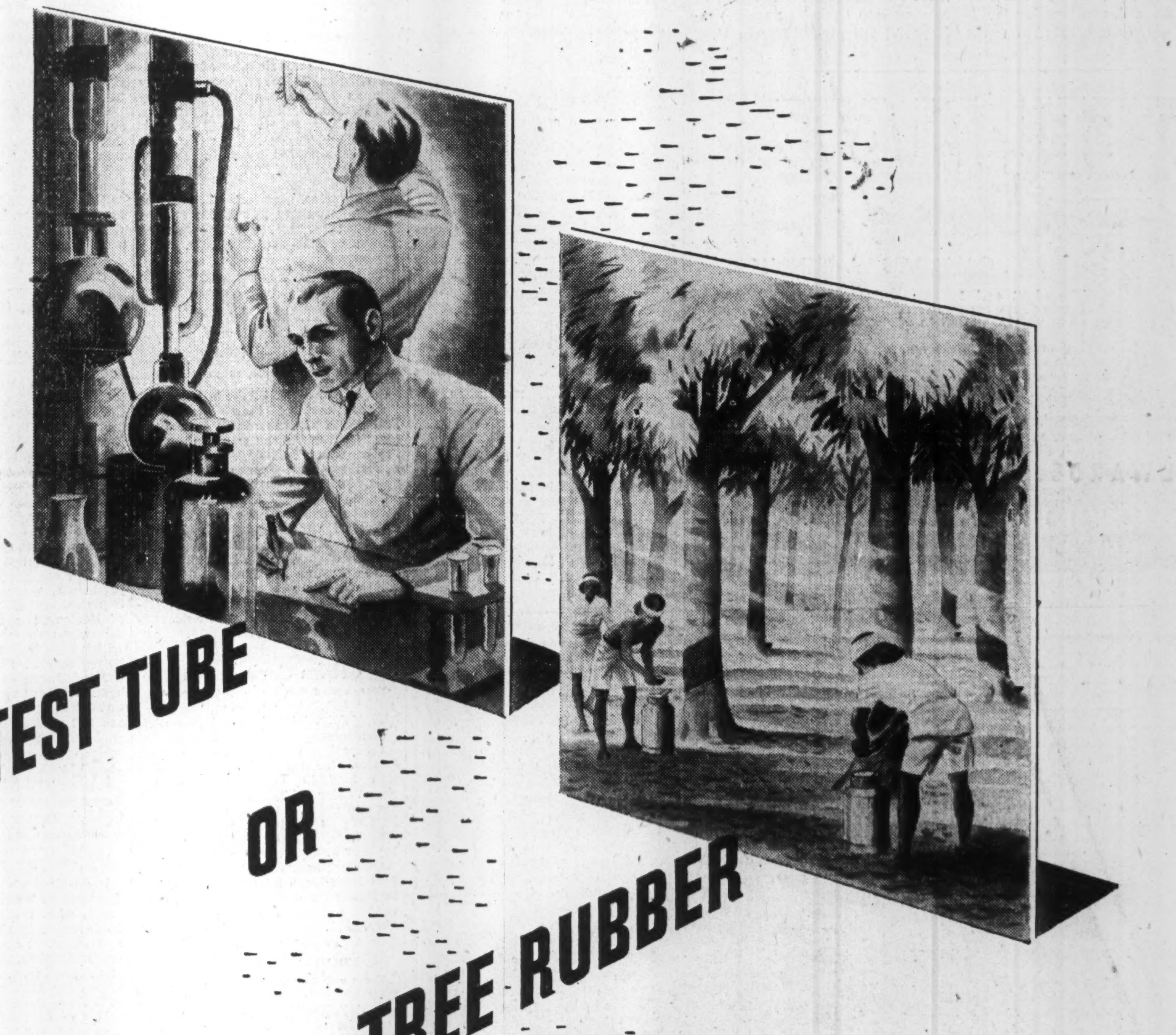

IT'S TECHNIQUE THAT COUNTS!

Today, it's true that all leading tire makers use synthetic rubb r from the same source.

It is also true that before the war they all used the same natural rubber. Yet . . . there existed then, as today, a wide difference in tire quality.

Obviously, it takes more than rubber to build a tire. It takes steel, cotton, carbon black and *compounding*. Yes, and it takes *still more* to make a *great* tire.

It takes engineering to figure stresses, strains and proper balance. It takes chemistry to properly blend ingredients. It takes skill and experience to build flawlessly. Test tube or tree rubber . . . *it's technique that counts.*

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WARNING: The rubber situation is still critical. Synthetic rubber tires are now being produced, but they are for the armed services and "essential" civilian vehicles only. Your needs will be taken care of just as soon as humanly possible.

As your next tires probably will be made of synthetic, the following information is important to you. Synthetic rubber tires are comparatively new, they do not yet match natural rubber tires in all-around performance. The continuing laboratory and road-testing work will, undoubtedly, hasten improvements.

In the meantime, however, synthetic rubber tires will meet present needs and see us through the emergency, IF CARE is exercised AT ALL TIMES. Driving at reduced speeds (35 M.P.H. or under), no overloading, accurate inflation, regular rotation (switching tires from one wheel to another), immediate attention to tire damage and frequent inspection by a Goodyear Dealer will enable you to get satisfactory service from synthetic rubber tires.

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Siscoe Gold Mines is reported to have optioned the Thompson-Bousquet group, west of Cadillac. The company is also participating with McWatters Gold Mines in developing a group of claims next to Belleterre Quebec Mines for which a $100,000 diamond drilling program has been recommended.

McWatters Gold Mines realized an operating profit of $3,687 for the three months ended Dec. 31, 1943, compared with $9,205 for the corresponding period of 1942. A total of 10,194 tons of ore were treated in the December, 1943, quarter, compared with $9,656 tons in the same quarter of 1942. Exploration on outside properties was $238 the last quarter of 1943.

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LONDON CALLING by Adelphi

Ration-Weary London Yearns For Easing of War Restrictions

By ADELPHI

LONDON.—Life in England is dogged, and rather dour. The people are determined to see the war through against Germany and Japan no matter what the cost, but that does not mean they have abandoned the national pastime of grouching.

Perhaps the Government has done its job too well in restricting supplies to the public. A new frock will give a normal woman a fresh outlook on life, while a pair of silk stockings will give her back her faith in human nature. Men are not so influenced by raiment and detest going to their tailor almost as much as to their dentist. But after more than four years of war most of us would like to donate every suit of clothes we possess to the Salvation Army and have a spending orgy in Saville Row. Many politcal students believe that the restrictions should be relaxed a little, especially for women.

A curious example of this exasperation was the recent Brighton by-election. Brighton is Britain's Atlantic City. In peacetime it is unfashionable, bracing, cosmopolitan and lots of fun. In war it is more or less in the front line and there is a curfew on the front while the famous pier is cut off from the mainland and it is impossible to turn the handle for a penny and see "What the butler saw."

The permanent population of Brighton is composed of diehard Tories, probably as a natural reaction against the mob which invades it at week ends in peacetime. In fact, Sir Cooper Rawson, M.P., had something like 40,000 of a majority in 1935.

* * *

Twin Policies

A month ago Sir Cooper decided to retire and F/Lt. Teeling, a much travelled, fortyish Tory was selected as the Government candidate and was duly blessed by the leaders of the Liberals, Tories and Socialists, who make up the coalition. The Flight-Lieutenant quite rightly said that his policy was to back Churchill to win the war and win the peace.

Unfortunately for political harmony a local and much respected citizen, Dutton Briant, brother of Brighton's mayor, decided to stand as an Independent. His policy, he said, was to back Churchill to win the war and win the peace. In other words, both candidates had the same policy, but one had the Government ticket and the other had not.

When Mr. Briant appeared in the lists, Mr. Churchill sent a letter to F/Lt. Teeling assuring him that he, Teeling, was the only one who had his, Churchill's, blessing, and hoping that the electors of Brighton would not be taken in by this "attempted swindle" on Mr. Briant's part.

* * *

This, of course, was a first rate "bloomer" on the Prime Minister's part, and Brighton got very angry indeed. You can wheedle a Briton, but you cannot bully him, and Mr. Briant suddenly was transformed from a decent citizen to a Cromwell.

The Tories held the seat for the Government, but that is all.

* * *

Halifax Speech

A word about Lord Halifax. His speech in Toronto on closer Empire co-operation after the war was probably inspired. It was, I should think, what the theatrical people call a "Try out." Australia is much in favor of unifying the Empire in foreign policy and matters of defense, but then Australia is a bridgehead of the Pacific, while you Canadians are remote from the immediate threat of envious foes.

We gather that Ottawa is apparently not in favor of the Empire speaking with one voice, although it is not against the Dominions and Britain meaning the same thing when they speak as individual governments. Another point is that Ottawa is apparently convinced that Canada has a dual destiny, one with the Empire and the other with its North American partner, the U. S. A.

Even over here many people believe the strength of the Empire is in the looseness of the threads which hold it together. Once change those threads to bonds, even bonds of gold, and you have something to break. Ribbentrop once said contemptuously that the British Commonwealth was held together by moonbeams. Well—when you cut a moonbeam it is still there.

Viscount Bennett is strongly in favor of the closer Empire plan and, as a former Canadian Prime Minister, his voice carries weight. But politics being what they are, the voice of a former premier does not carry as much weight as a present one, and Mackenzie King calls the tune at Ottawa.

A group of M.P.'s are going to press for another debate on Newfoundland. They are quite right. The story of that storm-swept island is no credit to Whitehall.

Inertia is not an adequate substitute for imagination.

* * *

Bigger Bombs

I have by me a letter from a young British Officer in Italy. He was talking to a German Captain who had been taken prisoner. "Your bombing of Berlin," said the Captain, "is inhuman, unforgiveable."

"But you bombed London and Coventry first," said my friend.

"That is true," answered the German in complete seriousness. "But look how much bigger your bombs are."

Thus we return once more to the cook in "Midshipman Easy" who tried to excuse her lapse by saying that the baby was such a little one.

* * *

Big Five Banks Report

Even in war this is the time of year when the chairmen of the Big Five banks do a bit of thundering on their own. Actually they did seem to speak a little less lustily in the first three years of the war, but now they are full throated and giving us lots of guidance and financial philosophy in their annual speeches.

Mr. Edwin Fisher, chairman of Barclays, came out strongly for those "priceless assets, individuality and enterprise, which can flourish only in an atmosphere of freedom." One might remark that a banker's freedom is sometimes another man's slavery, but that would be pin pricking.

Mr. Fisher, who is 62, comes from an astonishingly gifted family. His eldest brother, The Rt. Hon. A. L. Fisher, O.M., was the most famous educationalist of his day. Another brother was commander-in-chief at Portsmouth for a time. A third brother was a brilliant architect. A fourth was killed in the Boer War, and the fifth is still remembered for his great intellectual gifts by his contemporaries at Oxford—a life of deep promise cut short by his death in the last war serving with the Navy.

* * *

The chairman of the Westminster Bank is that bluff, sturdy, ultra Tory, Mr. Rupert Beckett. He has reached the comfortable age of 73 and looks good for a long time yet. He does his banking as he plays bridge. His bids are solid and he seldom goes for a slam. It is in keeping with his character therefore that in his annual speech he contended, "Domestic recovery will rest on the twin factors of manpower and scientific research supplemented by intensive scientific and industrial research."

Well, there is no libel in that. But I wager it sounded impressive when he said it.

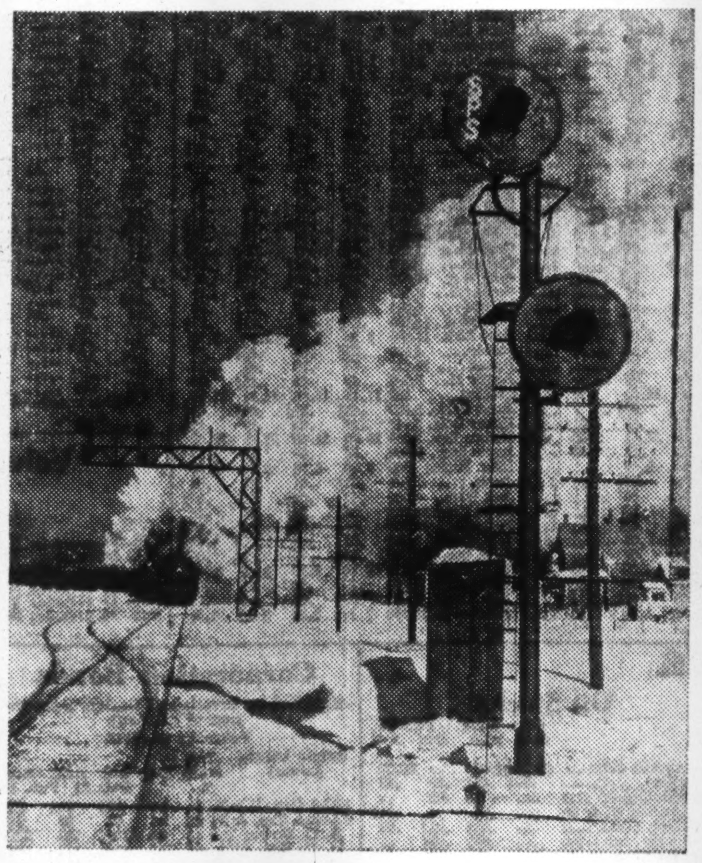
* * *

Banker At His Best

Stanley Cristopherson, who recently succeeded Reginald McKenna as chairman of the Midland Bank, made the liveliest speech of them all, but then he is well into the 80's and that's when a real banker is at his best. There was some raising of the eyebrows when an octogenarian was appointed and even some murmurings that the younger men in their seventies should be given a chance, but Mr. Cristopherson has silenced all doubts.

He is so youthful in outlook that he even dares to say in his speech that there are new things to learn from the war, the years preceding it, and that financial technique is not static.

I am sorry that I have no space to deal with the other chairmen of the Big Five, but at least you will see from these portraits why Adelphi, as a British citizen, feels that his overdraft is in safe hands.



NEW RAIL BLOCK SYSTEM

Signal standards at the CPR's White River yard form part of the continent's biggest wartime installation of electric automatic block safety equipment. The system is wheel-rail activated, features familiar red-yellow-green lights, and was built in ten months at a cost of $1.1 million. It brings safer, speedier operation of 30 trains daily to end a bottleneck on 250 miles of single track between the Ontario Algoma rail towns of Chapleau and Schreiber on main line of the Canadian Pacific.

Trying Hard To Unscramble Man. Politics

Bracken Supporters Wooed on All Sides in Pre-election Tug-of-war

From Our Own Correspondent

WINNIPEG.—There is a political tug-of-war by the Progressive Convatives and Liberal-Progressives in Manitoba today to pull the old provincial supporters of Hon. John Bracken into their respective camps.

Mr. Bracken, first leader of the Progressives in Manitoba, attached his old party title to the Conservative masthead when he approved its new platform and became its national leader in 1942. But the Liberals, long associated with Mr. Bracken in provincial politics, sought to keep his former Progressive and Liberal following in its own camp so far as federal politics were concerned.

During the past year the manoeuvring for the Progressive following was under the surface of the political picture. But during the last few weeks two developments have brought the tug-of-war into the open.

Bracken Clubs Appear

The Progressive Conservatives have begun to set up Bracken Clubs throughout the province to provide a common meeting ground for former Progressive and Liberal Bracken followers with members of the party he now leads.

The Manitoba Liberal Association has changed its name to Liberal Progressive in an effort to offset the appeal to prairie voters of the Bracken-led party.

In adopting the new title, the Manitoba Liberals professed simply to be making official a change in the party setup that had existed since 1928. In that year, the provincial Liberals fused with the Progressives in the Manitoba Legislature under Mr. Bracken's leadership. Urban Liberals, however, for the most part continued to run as straight Liberals and only rural candidates adopted the label of the predominantly farm-supported Progressive organization.

Federal Trend

Political activity in the Manitoba provincial field is now apparently dormant as the coalition government in the Legislature appears determined to remain aloof from party conflict. In the circumstances the formal adoption of the Progressive title by the Liberals logically reflects a federal trend.

The Bracken Club organization, originated in Winnipeg by H. R. Drummond-Hay, K.C., also will have its influence on the federal picture. A conference of party representatives in Winnipeg a few days ago drafted plans to extend it to every province.

In Winnipeg, where the club has a membership of close to 600, the party estimates about 50% are persons who followed Mr. Bracken into the Progressive Conservative fold.

While the Liberals in Manitoba say they are satisfied there will be no snap general election, they are gradually building up a party organization which had deteriorated over the past three years. Other parties, not so convinced of the unlikelihood of an election, are working more vigorously.

The CCF now has two full-time organizations in the province; says it could use 10. So far as it is possible, CCF workers are keeping contact with the grass-roots and are recruiting actively.

In the Legislature, where it now has five members, it is seeking—so far unsuccessfully — recognition as official opposition against the Coalition Government which it left in 1942.

Coalition Secure?

Whether or not the coalition could weather the disrupting influences of a general election is problematical. There are few who believe that Liberal and Conservative MLA's and Cabinet Ministers would remain on the sidelines if their national groups engaged in a federal contest.

But so long as there is no general election, the coalition appears reasonably secure.

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HAMILTON 181 HUNTER ST. E. 2-2471

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LANCASTER BUILDING, CALGARY, ALBERTA

MERRICK B. DAVIDSON
Chartered Accountant
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Canada Permanent Building
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Bank of Montreal Chambers
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R. J. H. RYALL & CO.
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67 YONGE STREET, TORONTO
INDUSTRIAL ENGINEERING SURVEYS REPORTS
AD. 6561

Position of Chartered Banks of Canada as of Dec. 31, 1943, Shown by Monthly Returns to Minister of Finance

LIABILITIES — SUPPLEMENTARY INFORMATION

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada secured	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere ▲	Bal. due to other Banks in Canada	Due to banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$
Montreal	9,348,282	220,267,891	20,022,599	....	421,696,814	469,750,559	135,794,921	4,037,215	13,542,172	19,543,678	....	15,006,460	2,901,025	22,569	39,000,000	36,000,000	1,406,934,191	50,000,000	36,000,000	6	304,456	110,435,526	9,543,132
Nova Scotia	3,885,921	49,105,481	1,506,787	....	113,482,445	171,128,339	81,689,282	3,505,815	2,549,402	3,786,373	....	23,738,260	1,174,567	303,439	24,000,000	12,000,000	491,856,115	15,000,000	12,000,000	10	1,838,237	37,310,000	4,004,511
Toronto	1,266,873	36,301,345	2,897,732	....	78,578,386	112,084,942	349,313	643,190	1,239,441	659,010	....	1,589,833	....	5,921	12,000,000	6,000,000	253,615,991	10,000,000	6,000,000	10	667,231	30,143,160	1,292,338
Provinciale	1,300,113	6,688,622	458,091	....	19,797,896	59,133,391	33,639	....	....	43,218	....	55,399	11,514	6,085	1,000,000	4,000,000	92,527,973	5,000,000	4,000,000	5	114,292	8,993,983	1,361,503
Commerce†	8,996,935	105,299,945	16,153,579	....	365,107,242	376,471,621	102,695,905	2,224,984	6,734,374	7,465,066	....	27,377,170	....	474,753	20,000,000	30,000,000	1,069,001,579	50,000,000	30,000,000	6	855,852	94,260,764	9,198,257
Royal	12,391,939	152,659,031	19,523,490	....	463,620,458	410,947,217	319,376,696	....	3,786,653	15,343,504	....	34,914,629	1,684,260	71,407	20,000,000	35,000,000	1,489,319,289	50,000,000	35,000,000	6	726,503	108,932,406	12,873,464
Dominion	1,642,471	28,624,152	2,156,613	....	82,596,409	95,879,249	7,753,586	1,831,471	393,727	949,229	....	5,924,067	378,313	141,565	7,000,000	7,000,000	242,270,857	10,000,000	7,000,000	8	623,598	29,814,846	1,776,296
Nationale	2,090,952	20,636,106	3,111,687	....	63,205,154	140,586,195	594,407	2,081,982	24,606	877,913	....	412,968	50,099	7,333	5,000,000	7,000,000	245,679,406	10,000,000	7,000,000	6	121,246	25,513,151	2,138,987
Imperial	1,730,602	35,093,902	22,122,419	....	83,502,272	105,847,330	704,979	2,279,035	881,748	1,582,614	....	2,372,873	....	141,588	8,000,000	7,000,000	271,250,365	10,000,000	7,000,000	8	517,848	20,781,127	1,780,135
Barclay's (Canada)	464,285	6,908,288	505,671	....	5,178,599	5,945,906	5,522,833	82,253	2,951,062	1,201,888	....	566,101	20,968	....	750,000	1,500,000	31,597,861	1,500,000	1,500,000	....	3,409	2,248,773	461,355
Total	43,118,373	661,584,763	88,458,668	....	1,696,765,675	1,947,774,749	654,515,561	16,685,945	32,103,185	51,452,493	....	111,957,760	6,220,746	1,174,660	136,750,000	145,500,000	5,594,062,627	211,500,000	145,500,000	----	5,772,672	468,433,736	44,459,978

▲Of this amount, $55,478,337 represents deposits in Canada in currencies other than Canadian. †And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,935,221	18,646	29,512,148	88,399,821	315,430	940,574	81,701,199	270	9,118,057	41,639,586	495,033,254	214,531,624	12,849,450
Nova Scotia	563,807	933,023	11,480,660	28,834,224	54,495	21,767,296	17,036,855	....	12,373,520	23,023,548	111,526,491	77,205,804	8,702,343
Toronto	435,010	....	5,675,115	24,234,215	19,935	125,366	14,339,216	....	419,128	6,319,290	76,038,746	53,638,512	1,284,068
Provinciale	380,333	....	2,968,203	6,006,817	31,705	57,553	3,870,702	865	25,417	1,366,333	25,398,318	22,804,884	8,300,363
Commerce†	1,342,797	202,919	22,762,935	68,859,277	87,680	5,430,179	41,676,208	....	5,348,456	31,475,799	296,688,262	199,000,011	4,119,924
Royal	1,708,405	1,241,294	31,037,124	77,956,794	282,319	57,726,784	68,489,267	7,482	19,798,596	63,500,704	418,649,244	227,563,979	10,244,902
Dominion	406,219	171	3,408,547	22,872,981	33,290	124,440	10,137,796	1,987	1,883,758	5,231,761	72,813,388	45,579,356	837,941
Nationale	755,479	....	8,957,649	12,779,030	44,190	103,082	9,097,996	1,381,505	125,402	1,490,015	80,608,355	58,084,365	11,020,327
Imperial	528,847	....	6,930,754	8,856,761	48,845	98,240	18,376,446	754,975	837,181	4,392,475	83,730,631	56,270,594	5,868,326
Barclay's (Can.)	6,914	....	167,119	1,395,875	570	8,448	1,366,371	251,829	1,848,903	6,875,748	3,357,049	8,329,255	1,000
Total	8,063,032	2,396,053	122,900,254	340,195,795	918,459	86,381,962	256,092,056	2,398,913	51,778,418	185,315,259	1,663,843,738	963,008,384	63,228,644

NAME OF BANK	Public sec. other than Canadian	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial government	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets ▲
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	60,511,787	21,424,242	4,983,191	32,796,803	250,973,106	10,104,347	2,115,599	18,387,077	230,027	100,750	379,971	13,400,000	718,536	1,798,021	1,408,925,210
Nova Scotia	5,605,653	7,346,076	7,396,168	1,344,400	112,426,757	12,690,193	151,811	818,934	301,680	....	70,111	5,260,591	290,055	2,253,065	493,195,832
Toronto	....	4,063,017	2,383,955	....	58,853,302	....	....	2,281,526	13,302	....	6,390	2,754,711	103,994	206,956	254,790,594
Provinciale	....	1,172,102	3,560,847	....	13,274,178	....	12,483	780,553	23,336	311,458	201,879	2,011,736	86,867	100,592	92,802,431
Commerce†	42,393,504	8,965,571	10,259,347	19,878,655	240,887,703	17,759,295	1,474,494	5,035,292	705,433	1,754,390	706,431	13,338,630	700,000	4,424,520	1,072,654,897
Royal	67,002,985	23,667,133	12,852,412	38,203,499	244,944,232	58,568,444	2,484,158	12,280,192	793,847	1,216,614	696,315	12,761,173	900,000	3,642,235	1,493,134,776
Dominion	1,220,036	1,410,110	1,028,567	3,928,378	59,783,903	564,532	628,096	189,883	65,308	15,414	34,075	4,842,561	151,500	199,104	243,317,182
Nationale	571,098	3,664,417	3,420,290	....	43,338,882	....	628,918	2,808,993	71,253	1,204,984	627,786	4,482,145	143,818	312,801	246,135,757
Imperial	....	529,360	2,101,622	....	72,791,411	....	14,507	2,519,140	58,419	....	52,755	5,178,280	149,273	66,098	272,327,822
Barclay's (Can.)	72,000	....	187,100	....	6,442,298	....	....	....	260	....	....	714,492	34,081	13,317	31,635,738
Total	177,377,063	72,242,028	48,173,499	96,151,735	1,103,715,772	99,686,811	7,510,066	45,101,590	2,262,865	4,603,610	2,775,713	64,741,319	3,282,624	13,016,709	5,609,120,239

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return. — Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

▲Total assets include $111,957,760 letters of credit outstanding as shown in liabilities.

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Feb. 22	18,500	7,400	665,000	......
Feb. 21	16,200	21,000	691,000	......
Feb. 19	14,200	2,200	542,000	35,000
Feb. 18	15,600	25,600	499,000	74,505
Feb. 17	19,100	17,900	497,000	64,813
Feb. 16	28,200	26,400	656,000	23,594

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.70	$12.00	$11.81
Hogs	17.10	17.10	16.94
Copper, lb.	*.12	.12	.12
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.1	103.1	102.1
Dow Jones (fut.)	96.08	96.62	90.03
Fishers	112.6	112.4	110.7
Monthly Indices			
Canada (D.B.S.):			
Retail (Jan.)	119.0	119.3	117.1
W'sale (Dec.)	102.5	102.4	95.6
U. S. (Oct.)	103.0	103.1	100.0
Gr. Brit. (Nov.)	162.7	162.5	161.0

Note—The base of indices is that 1926 equals 100. † Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.29	3.60
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.65	4.00
Can. Investors	5.60	6.25
Corp. Investors	6.35	6.85
Trans-Canada	10.50	11.60

Oil Royalties
Producing Wells — Prices and Payments

	Feb. daily quota bbls.‡	Mar. 15 daily quota bbls.‡	Oct. pay. 1% $	Nov. pay. 1% $	Dec. pay. 1%	Total to Dec. 31 1% $	Offering price* per 1% $
Ace No. 1 gross	300	386	146.87	139.88	145.58	5,996.28	....
Alta. Oil Inc. No. 1 gr.	60	65	18.00	21.60	23.20	3,930.80	....
Do., No. 1 net	60	65	15.60	20.40	18.00	4,398.40	600
Do., No. 2 gr.	270	380	139.20	127.20	126.00	6,054.20	4,400
Do., No. 2 net	270	380	93.60	†229.20	81.20	7,188.20	3,000
Allied No. 1 pfd.	75	93	32.05	†97.76	40.20	1,934.12	1,200
Arrow No. 1 net	120	135	35.00	38.00	43.00	1,255.12	1,300
Do., No. 2 net	140	170	44.00	48.00	64.00	2,198.20	1,800
Atlas No. 1 net pfd.	50	...	38.80	▲36.80	32.40	......	1,200
Atlas-Br. D. No. 2 net	370	450	130.40	▲130.40	120.40	......	....
Atlas-Br. D. No. 3 pd.	270	430	-173.20	157.60	143.60	......	4,600
East Crest No. 5	115	115	47.20	†108.80	48.80	968.40	1,700
Empire pfd.■	...	...	....	....	......	......	1,100
Independent No. 1 pfd.	150	200	97.89	92.22	113.16	......	2,200
Do., No. 1 gr.	150	200	75.17	69.33	83.97	3,222.09	2,700
Major Oil No. 1 pfd.	50	95	25.20	37.20	......	1,211.70	....
Do., No. 1 gr.	50	95	31.20	48.40	21.20	2,075.80	....
Do., No. 2 net	260	350	75.60	†248.40	100.00	5,950.80	2,800
Do., No. 2 gr.	260	350	121.20	126.80	130.80	7,377.00	4,300
Do., No. 3 net	400	588	124.00	134.40	130.40	8,528.40	4,700
Do., No. 3 gr.	400	588	203.20	200.00	176.80	......	....
Do., No. 4 pfd.	70	125	60.80	32.40	22.40	......	....
Do., No. 4 gr.	70	125	69.60	36.00	26.40	......	....
Do., No. 6 pfd.	400	...	....	....	......	......	....
Do., No. 6 gr.	400	...	....	192.40	162.00	......	5,700
Do., No. 7 pfd.	350	500	140.40	188.80	179.60	3,492.80	4,700
Do., No. 7 gr.	350	...	148.00	175.20	152.80	......	....
Do., No. 7 dfd.	350	500	....	....	......	......	3,500
Do., No. 8 pfd	165	225	78.60	102.80	82.40	1,477.80	2,500
Do., No. 8 gr.	165	225	73.60	81.20	67.20	1,721.20	....
Do., No. 8 dfd.	165	225	....	....	......	......	1,300
Do., No. 9 gr.	230	320	101.20	115.60	91.20	2,736.20	....
Do., No. 9 pfd.	230	320	....	129.60	79.20	‡1,163.60	3,400
Do., No. 9 dfd.	230	320	....	....	......	......	1,300
Maryland, pfd.	95	...	....	....	......	......	800
Miracle No. 1 net	250	300	86.51	102.84	101.61	6,205.81	3,200
Do., No. 1 gr.	250	300	121.60	125.60	117.54	6,428.33	4,400
Do., No. 2 pfd.	110	200	52.89	52.90	63.66	......	1,700
Do., No. 2 gr.	110	200	46.80	50.40	53.00	1,786.33	....
Miracle No. 3 pfd.	140	...	....	....	......	......	2,200
Do., No. 3 gr.	140	...	145.56	▲145.56	69.43	......	....
National Vulcan	100	...	....	....	......	......	2,300
Northend Pete No. 1 pfd.	♦	...	....	....	......	......	2,800
Do., No. 1 gr.	♦	...	....	....	......	......	6,300
Twin City No. 2 gr.	150	...	85.77	70.59	84.67	......	....

*Approximately 25% over dealers' bid price. ‡Approximate. ■Ontario Acreage Royalty. ♦Testing. ‡To Sept. 30. ▲Oct. payments. †Increased payment represents distribution of a reserve against possible increase in gross payment to Alberta Gov't. (which increase was not allowed in court). Payment must not be considered a regular payment.

Wheat Prices

Winnipeg Grain Futures
Week of Feb. 21, 1944

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Feb. 21
Oats*					
.51½	.51½	May	.51½	.51½	.51½
Barley*					
.64¾	.64¾	May	.64¾	.64¾	.64¾
Rye					
1.31⅝	.92⅛	May	1.28¼	1.24⅜	1.26
1.31	1.08½	July	1.26⅜	1.22½	1.24⅛
1.27¼	1.24	Oct.	1.24	1.20¾	1.22¼

*At ceiling.

Cash Quotations
For Week

	Feb. 21, 1944 High	Low	Prev. Week High	Low
Oats*:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
2 C. W.	1.24⅞	.122⅝	1.26⅜	1.23⅝

*At ceiling prices.

Significant Investors' Index Numbers

Mining Stocks

Oil Stocks

Stocks Not Traded This Week

Government Bonds

Unlisted Stocks

Unlisted Mines

Corporation Bonds

Corporation Bonds Cont'd

Supplementary Stock Quotations

Municipal Bonds

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass, c.	.40+.10	Mar. 1	Jan. 31
Do., pref.	1.75	Apr. 1	Feb. 29
Aunor Gold	.05	Mar. 1	Feb. 10
Ang. Can. Tel. A	.15	Mar. 1	Feb. 10
Aluminium	2	Mar. 6	Feb. 7
Do., pref.	†1.50	Mar. 1	Feb. 3
Amer. Cyan. A, B	†.15	Apr. 1	Mar. 11
Do., pref.	†.12½	Apr. 1	Mar. 11
Assoc. Brew.	.25	Mar. 31	Feb. 29
Bk. of Nova Scotia	2.50	Apr. 1	Mar. 16
Barber Ellis	.12½+.12½	Mar. 15	Feb. 29
Blue Top Brew. A	.15	Mar. 31	Mar. 15
Do., (B)	.04	Mar. 31	Mar. 15
Bk. Can. Nationale	1.50	Mar. 1	Feb. 15
Bruck Silk M.	■.10	Mar. 15	Feb. 15
Bank of Montreal	1.50	Mar. 1	Jan. 31
Bank of Toronto	2.50	Mar. 1	Feb. 15
Bathurst Pwr. "A"	.25	Mar. 1	Jan. 28
B. C. Packers	.75	Mar. 15	Feb. 29
Belding Cort.	1	Apr. 1	Feb. 29
Do., pref.	1.75	Apr. 1	Feb. 29
Belding Cort., c.	‡2	Mar. 1	Jan. 31
Borden Co.	†.40	Mar. 1	Feb. 15
Bright, T. G., pfd.	1.50	Mar. 15	Feb. 29
Burlington Steel	.15	Apr. 1	Mar. 10
Capital Trust	1.50	Mar. 1	Dec. 31
Can. Cr. Stone	.10	Mar. 20	Mar. 1
Canada Cement, pfd.	1.25	Mar. 20	Feb. 25
Canada Malting	.50	Mar. 15	Feb. 29
Confederation Life	1.50	Mar. 31	Mar. 26
Do.	1.50	June 30	June 25
Do.	1.50	Sept. 30	Sept. 25
Do.	1.50	Dec. 30	Dec. 25
Canada Dry	†.25	Mar. 9	Feb. 24
Can. F. & Forg., A	.37½	Mar. 15	Mar. 1
Canada Iron, pfd.	3	Apr. 1	Mar. 15
Can. Breweries, pfd.	.85	Apr. 1	Feb. 15
Canada Vinegars	.10	Mar. 1	Feb. 15
Chartered Trust	1	Apr. 1	Mar. 15
Can. Celanese	.25	Mar. 31	Mar. 13
Do., extra	.25	Mar. 31	Mar. 13
Do., pref.	1.75	Mar. 31	Mar. 13
Do., participating	.53	Mar. 31	Mar. 13
Can. Bakeries, pfd.	1.25	Mar. 1	Jan. 31
Can. Gen. Elec.	2	Apr. 1	Mar. 15
Can. Int. Inv. Tr. pd.	■.50	Mar. 1	Feb. 1
Can. Cel. Inc. fd. rts.	1	Mar. 15	Dec. 31
Can. Food Prod.	.50	Apr. 1	Feb. 29
Can. Nor. Power	■.15	Apr. 25	Mar. 20
Do., pref.	■1.75	Apr. 15	Mar. 20
Can. For. Inv.	1	Apr. 1	Mar. 1
Do., pref.	2	Apr. 1	Mar. 1
Can. Pac. Rly., c.	.50	Mar. 31	Mar. 1
Can. Cottons	$1.50	Apr. 1	Mar. 3
Do., pref.	1.50	Apr. 1	Mar. 3
Consumers Glass	.50	Feb. 29	Jan. 28
Corr. Paper Box, pf.	1.75	Mar. 1	Feb. 4
Do., arrears	*7	Mar. 1	Feb. 4
Cap W. Cloth, pfd.	.38	Mar. 1	Feb. 12
Canada Wire & C., A	1	Mar. 15	Feb. 29
Do., (B)	.25	Mar. 15	Feb. 29
Do., pref.	1.62½	Mar. 15	Feb. 29
Cockshutt Plow	.25	June 1	May 15
Do.	.25	Dec. 1	Nov. 2
Consol. Bakeries	.20	Apr. 1	Mar. 10
Can. Dom. Sugar	.20	Mar. 1	Feb. 15
Can. Industries A B	1.25	Apr. 29	Mar. 31
Do., pref.	1.75	Apr. 15	Mar. 15
Dairy Corp. pfd.	1.25	Apr. 1	Mar. 1
David & Frere, A	.25	Mar. 31	Mar. 15
Do., bonus	.15	Mar. 31	Mar. 15
Distil.-Seag.	.55½	Mar. 15	Mar. 1
Do., pref.	†1.25	May 1	Apr. 15
Dom. Ang. Inv., pfd.	1.25	Mar. 1	Feb. 15
Dom. Stores	.10	Mar. 20	Feb. 23
Dom. Scot. Inv. pfd.	.50	Mar. 1	Feb. 7
Dom. Envelope, c.	.10	June 1	May 20
Do.	.10	Dec. 1	Nov. 20
Dom. Textile	1.25	Apr. 1	Mar. 3
Do., pref.	1.75	Apr. 15	Mar. 15
Eastern Steel	.25	Mar. 1	Feb. 12
Eng. Electric "A"	.25	Mar. 15	Feb. 29
Fanny Farmer	†.37½	Apr. 1	Mar. 1
Federal Grain, pfd.	2	Mar. 1	Feb. 15
Federal Fire	1.50	Aug. 15	Aug. 11
Ford Motor A, B	.25	Mar. 18	Feb. 28
Gat. Power	.20	Mar. 31	Mar. 1
Do., 5% pref.	1.25	Apr. 1	Mar. 1
Do., 5½% pref.	1.37	Apr 1	Mar. 1
Gt. West. Sadd., 1st p.	.75	Apr. 3	Mar. 3
Hamilton Cotton	.22½	Mar. 1	Feb. 10
Hallnor Mines	.05	Mar. 1	Feb. 10
Imperial Tob., ord.	.10+.15	Mar. 31	Feb. 15
Do., pref.	3%	Mar. 31	Feb. 15
Imperial Varnish	.12½	Mar. 1	Feb. 19
Do., pref.	.37½	Mar. 1	Feb. 19
Inter. Nickel, c.	†.40	Mar. 31	Mar. 1
Indust. Accept. pfd.	1.25	Mar. 31	Feb. 29
Inter. Bronze	.20	Apr. 15	Mar. 15
Do., pref.	.37½	Apr. 15	Mar. 15
Invest. Found., pref.	.75	Apr. 15	Mar. 15
Jam. Pub. Serv.	.17	Apr. 1	Feb. 29
Do., pref.	1.75	Apr. 1	Feb. 29
Kerr Lake Gold	.05	Feb. 29	Feb. 1
Kerr Addison G.	.05	Feb. 29	Feb. 1
Kirk. Lake G.	.02	Apr. 29	Mar. 29
Lang, John & Sons	.17½	Apr. 1	Mar. 10
Do., extra	.30	Apr. 1	Mar. 10
Landed Banking	1	Apr. 1	Mar. 15
Loblaw Groc. A, B	.25	Mar. 1	Feb. 1
Laura Secord	.20	Mar. 1	Feb. 1
Lake Shore Mines	.20	Mar. 15	Feb. 15
Lake of W. Mill.	.30	Mar. 1	Feb. 4
Do., pref.	1.75	Mar. 1	Feb. 4
Maritime Trust	3%	Mar. 1	
Macassa Mines	.05	Mar. 15	Feb. 21
McIntyre Porc.	.55½	Mar. 1	Feb. 1
McK. Red Lake	.02½	Mar. 17	Feb. 29
Montreal Cottons	1	Mar. 15	Feb. 15
Do., pref.	1.75	Mar. 15	Feb. 15
Mitchell, J. S.	2.50	Mar. 1	Feb. 7
Mtl. Loan & Mtge.	.31¼	Mar. 15	Feb. 29
Maclaren Power	.25	Feb. 29	Feb. 12
Monarch Knit. pfd.	7	Mar. 9	Feb. 18
Nat'l Biscuit pfd.	†1.75	Feb. 29	Feb. 11
Niag. W. Weav.	.25	Apr. 1	Mar. 1
Northern Trusts	1	Mar. 15	Feb. 15
N. S. Light, pfd.	1.50	Mar. 1	Feb. 14
Noranda Mines	1	Mar. 15	Feb. 15
Northwest Util. p.	1.50	Mar. 1	Feb. 24
Ottawa L. H.	.15	Apr. 1	Feb. 9
Do., pref.	1.25	Apr. 1	Feb. 9
Ogilvie Flour, c.	.25	Apr. 1	Feb. 25
Do., pref.	1.75	Mar. 1	Jan. 28
Ont. Steel Prod.	.25	May 15	Apr. 15
Do., pref.	1.75	May 15	Apr. 15
Paton Mfg.	1	Mar. 15	Feb. 29
Do., pref.	1.75	Mar. 15	Feb. 29
Photo Engrav.	.75	Mar. 1	Feb. 15
Perron Gold	.02	Mar. 30	Feb. 29
Power Corp. 1st pfd.	1.50	Apr. 15	Mar. 20
Do., 2nd pref.	.75	Apr. 15	Mar. 20
Proprietary M.	.05	Mar. 9	Feb. 9
Provincial Bank	1.25	Mar. 1	Feb. 15
Preston E. Dome	.05	Apr. 15	Mar. 15
Royal Bank	1.50	Mar. 1	Jan. 31
Rolland Paper pref.	1.50	Mar. 1	Feb. 15
Regent Knit.	.25	Mar. 1	Feb. 4
Do., pref.	.40	Mar. 1	Feb. 4
Do., pref.	.40	June 1	May 1
Do., pref.	.40	Sept. 1	Aug. 1
Do., pref.	.40	Dec. 1	Nov. 2
Reliance Grain, p	1.62½	Mar. 15	Feb. 29
San Antonio G.	.07+.03	Apr. 6	Mar. 6
Sec. Can. Int. Inv., p.	.10	Mar. 1	Feb. 15
Do., com.	.10	Mar. 1	Feb. 15
Silverwoods	.20	Apr. 1	Feb. 29
Do., pref.	.20	Apr. 1	Feb. 29
South. Can. Pwr., c.	.20	May 15	Apr. 20
Do., pref.	1.50	Apr. 15	Mar. 20
Sherwin Wms, pd.	1.75	Apr. 1	Mar. 10
Siscoe Gold	▲.01½	Mar. 15	Feb. 12
Sullivan Cons.	.03	Mar. 15	Feb. 15
Sunset Oils	.01	Mar. 15	Mar. 1
Stand. Pav., pfd.	.62½	Apr. 1	Mar. 20
Stuart, D. A. Oil p.	.20	Mar. 1	Feb. 15
Sherwin-Wms. c.	.15	May 1	Apr. 10
Std. Pav. pf.	.31¼+.31¼	Apr. 1	Mar. 20
Stedman Bros.	.15+.60	Apr. 1	Mar. 20
Stedman Bros., pfd.	.75	Apr. 1	Mar. 20
Sylvanite Gold	.03	Apr. 15	Feb. 25
Toronto Elev., pfd.	.65	Mar. 7	Feb. 25
Tuckett Tob., pref.	1.75	Apr. 15	Mar. 31
Twin City R., pfd.	†1.75	Mar. 30	Mar. 1
United Fuel. A pf.	.75	Apr. 1	Mar. 10
Upper Can. Mines	.02½	Feb. 29	Feb. 15
Wellington Fire	1.75	Aug. 15	Aug. 11
Wilsil	.25	Apr. 1	Mar. 1
Walker-Good.	1	Mar. 15	Feb. 11
Do., pref.	.25	Mar. 15	Feb. 11
Waite Amulet	.20	Mar. 10	Feb. 11
Wr.-Hargreaves	.06¼	Apr. 1	Feb. 24
Yukon Cons.	■.06	Mar. 15	Feb. 15

■Subject to approval of Foreign Exchange Control Board.
†Payable in N. Y. funds.
‡Extra. *Eliminates arrears.
▲Further divd. action deferred until year end.

Bond Redemptions

Bond Issues—	Rate	Year	Due	Price
Price Bros.	4%	1957	Mar. 1	100
Atlantic Sugar	•4%	1951	Mar. 1	102
Stop & Shop, A	3%	1947	Apr. 1	103½
Do., 2nd mtge.	3%	1947	Apr. 1	103
Dom. Elec. Pr.	5½%	1955	Mar. 1	103
Do., debs.	6½%	1950	June 1	102
N. S. Lt. & Pr.	‡4%	1957	Mar. 1	103½
Intl. Paper, A.	*6%	1955	Mar. 1	105
Acadia Sugar	▲4½%	1955	Apr. 1	102
Saguenay Pr. A	†	1966	Apr. 1	104
Do., B	°	1966	Apr. 1	104

•$62,000. ‡$54,000. °$67,000.
*$469,500. ▲$36,500. †$333,000.

Stock Issues—				
Blue Top Brew	5%	"A"	Mar. 1	11
Can. For. Invest.	8%	Pref.	Apr. 1	105

Annual Meetings

1944	Company	Place
Feb. 25	Goodyear Tire & Rubber	Toronto
Feb. 28	Montreal Life Ins.	Montreal
Mar. 1	Distillers Corp.-Seag.	Montreal
Mar. 1	Montreal Loan & Mort.	Montreal
Mar. 2	Building Products	Montreal
Mar. 7	Bear Exp. and Rad.*	Toronto
Mar. 7	Great W. Saddlery	Winnipeg
Mar. 8	Woods Manufacturing*	Montreal
Mar. 27	Twin City Rapid	Minneapolis
Mar. 29	Rolland Paper	Montreal
Apr. 4	Simpsons Ltd.	Toronto
Apr. 26	Candn. Breweries	Toronto
Apr.—	Western Grocers	Winnipeg

* Special.

WE WILL BUY

Richmond-Bay 6½% $100.00
Royal Windsor Apt. Bonds $ 23.00
Wellington Bldg. 6½% .... $ 70.50

A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

DIVIDEND NOTICES

Imperial Tobacco Company of Canada Limited

Notice to Shareholders

NOTICE is hereby given that the Ordinary General Meeting of the Shareholders of IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED, will be held at the Head Office of the Company, 3810 St. Antoine Street, Montreal, Quebec, on Tuesday, the 21st day of March, 1944, at 10.30 o'clock in the forenoon.

AND NOTICE IS FURTHER GIVEN that the said General Meeting will be Special for the purpose of considering and, if thought fit, sanctioning and confirming By-laws enacted by the Directors as follows:

(1) Special By-law "D" of the Company amending By-law 15 of the Company respecting the borrowing powers of the Directors by providing that the Directors shall not, without the sanction of a General Meeting of the Company, borrow any sum of money which will make the amount borrowed by the Company and then outstanding exceed the nominal amount of the capital for the time being of the Company.

(2) Special By-law "E" of the Company—

(a) repealing and re-enacting By-law 4 of the Company respecting the safe custody and use of a corporate Seal;

(b) repealing and re-enacting By-law 8 of the Company so as to describe correctly the present capital of the Company;

(c) repealing and re-enacting By-law 22 of the Company respecting share certificates and their form and execution;

(d) repealing and re-enacting By-law 27 of the Company so as to authorize the keeping of a register of transfers of shares in the capital of the Company in Canada, and of one or more branch registers of transfers within Canada or elsewhere and providing for the discharge of shares from one register to another, and the entry of transfers of shares;

(e) repealing By-law 30;

(f) repealing and re-enacting By-law 32 of the Company so as to authorize the appointment and removal of Transfer Agents and Registrars of Transfers of shares in the capital of the Company, and the making of regulations regarding the issue and registration of share certificates and the transfer of shares;

(g) repealing and re-enacting By-law 33 of the Company providing for closing the register of transfers and branch registers of transfers from time to time for periods not exceeding thirty (30) days in each year;

(h) repealing and re-enacting By-law 34 of the Company specifying the persons who shall or may be recognized by the Company as having title to shares upon the death of a shareholder;

(i) repealing and re-enacting By-law 89A of the Company so as to authorize the appointment of a Committee to be known as the "United Kingdom Committee" to keep a branch register of transfers in the United Kingdom of Great Britain and Northern Ireland, and the keeping and use of a facsimile of the Corporate Seal of the Company in the United Kingdom.

DATED at Montreal, Canada, this 18th day of February, 1944.

By Order of the Board,
A. L. ROBERTSON,
Secretary.

British Columbia Packers Limited

NOTICE is hereby given that the Directors of British Columbia Packers Limited have declared a dividend of seventy-five cents per share, payable by cheque to be issued at Vancouver on March 15th, 1944, to shareholders of record at the close of business on February 29th, 1944.

NOTICE is hereby also given that the Company's Register of Transfers maintained at the office of The London & Western Trusts Company Limited in the City of Vancouver, B.C., and the Company's branch Registers of Transfers maintained respectively at the office of The London & Western Trusts Company Limited in the City of Toronto and at the office of Chartered Trust and Executor Company in the City of Montreal will be closed from and including the 1st day of March, 1944, to and including 7th day of March, 1944.

DATED at Vancouver, B.C., this 18th day of February, 1944.

By Order of the Board,
A. HAMILTON,
Secretary.

PRESTON EAST DOME MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 18

NOTICE is hereby given that the regular quarterly dividend of five cents per share has been declared on the issued Capital Stock of the Company, payable in Canadian funds, April 15th, 1944, to shareholders of record at the close of business on the 15th day of March, 1944.

By Order of the Board.
L. I. HALL,
Secretary.
Toronto, February 16th, 1944.

Standard Paving & Materials Limited

Preferred Dividend

Notice is hereby given that a dividend of 62½c per share has been declared on the Cumulative Preference Shares of Standard Paving & Materials Limited, payable on April 1, 1944, to Shareholders of record at the close of business on March 20, 1944.

This dividend declaration includes 31¼ cents arrears of dividend.

By Order of the Board,
A. M. HARNWELL,
Secretary.
Toronto, Ontario, February 11, 1944.

DIVIDEND NOTICES

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st March, 1944, payable 1st April, 1944, to shareholders of record 3rd March, 1944.

By order of the Board,
L. P. WEBSTER,
Secretary.
Montreal, February 16th, 1944.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarters per cent (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st March, 1944, payable 15th April, 1944, to shareholders of record 15th March, 1944.

By order of the Board,
L. P. WEBSTER,
Secretary.
Montreal, February 16th, 1944.

Martin-Bird Syndicate

IMPORTANT NOTICE

UNITHOLDERS of Martin-Bird Syndicate are requested to now deliver their Unit Certificates, properly endorsed and with their signatures guaranteed, by registered mail to the Chief Transfer Officer, Toronto General Trusts Corporation, Corner Bay and Melinda Streets, Toronto. Share certificates of Martin-Bird Gold Mines, Limited (No Personal Liability), on a basis of seventy-five shares of the Company for each Martin-Bird Syndicate unit will be delivered by the Transfer Agent to the unitholders entitled thereto.

Dated at New Liskeard, Ontario, this 15th day of February, 1944.

MARTIN-BIRD SYNDICATE,
Per S. J. Bird,
Secretary.

Silverwood DAIRIES, LIMITED

PREFERRED DIVIDEND NO. 16

NOTICE IS HEREBY GIVEN that the regular semi-annual dividend of twenty cents (.20c) per share has been declared on the Preferred Shares of the Company, payable 1st April, 1944, to shareholders of record at the close of business 29th February, 1944.

COMMON DIVIDEND NO. 7

NOTICE IS ALSO GIVEN that a dividend of twenty cents (.20c) per share has been declared on the Common Shares of the Company, payable 1st April, 1944, to shareholders 29th February, 1944.

By Order of the Board,
J. H. GILLIES,
Secretary-Treasurer.
London, Ontario,
23rd February, 1944.

San Antonio Gold Mines Limited

(No Personal Liability)

Dividend No. 21

Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the Company, payable in Canadian funds, on the 6th day of April, 1944, to shareholders of record at the close of business on the 6th day of March, 1944.

By order of the Board.
M. SNYDER,
Secretary.
Winnipeg, February 19th, 1944.

MACASSA MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 35.

NOTICE is hereby given that a dividend of five cents (5c) per share has been declared on the issued capital stock of this company for the quarter ending March 31st next, and will be payable on March 15th to shareholders of record February 21st, 1944.

By Order of the Board.
L. SOLIAGUE,
Secretary.
Toronto, February 17, 1944.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 29

Notice is hereby given that a quarterly dividend amounting to 2½c per share for the first quarter of 1944, has been declared payable March 17th, 1944, to shareholders of record at the close of business February 29th, 1944.

By order of the Board.
H. M. ANDERSON,
Secretary-Treasurer

DIVIDEND NOTICE

New Method Laundry Co. Limited

Notice is hereby given that one quarter's dividend at the rate of 6½% per Annum, on the Preferred Shares of the Company, has been declared payable on Saturday, March 18th, 1944, to shareholders on record at the close of business on Tuesday, February 29th, 1944.

By Order of the Board,
JOSEPH S. MORIN,
Secretary.

West Planning More Wheat?

Farmers Foresee Maximum Quota Being Increased Again

From Our Own Correspondent

WINNIPEG.—Reports from many sections of western Canada indicate that according to present intentions of farmers there will be a considerable increase in acreage seeded to wheat this year. An inclination toward such planning developed last fall when announcement was made that the basic initial price of wheat was to be increased to $1.25 per bushel. It was checked, however, by doubts of farmers as to the quantity they might be allowed to sell. At that time a restriction was still in force which had been imposed at seeding time in 1943, to the effect that not more than 14 bu. of wheat per authorized acre might be sold by any farmer during the current crop year. Within the past few weeks that maximum quota was increased, by government announcement, to 18 bu.

Farmers Bet on Bigger Quota

Now farmers have reason to believe that before another crop is ready for harvest the maximum quota may be further enlarged. This belief stems from the announcement the United States is prepared to buy 175 million bu. of wheat from Canada in 1944, if transportation can be obtained. Prospects are, therefore, that before July 31 next many thousand farmers will have disposed of all wheat in storage on their farms, from both the 1942 and 1943 crops.

Existence of a large carry-over on farms from the 1942 crop was a most important factor in reducing wheat acreage in 1943.

Another was promise of wheat acreage reduction payments for former wheat acreage put into oats and barley ,or into summer fallow. Such payments are being discontinued this year.

Another important factor was government urging of a large acreage put into feed grains and the guarantee of a price for such grains sold, apparently with no limit on quantity. True, the actual prices paid for such oats and barley as have been sold have been greater than the guarantee. But so far there have been severe restrictions on quantities sold, with delivery quotas of only 10 bu. per seeded acre.

Transportation a Problem

In spite of a large demand in U. S. for oats and barley there is nothing to indicate when these delivery quotas will be increased, for the more insistent the Americans are for Canadian wheat, the less likelihood there is that there will be transportation to take care of the other grains they would also willingly buy. Prospects for an increase in wheat acreage do not necessarily mean a large crop.

Nervous of Prospects

Over wide areas there is a good deal of nervousness as to prospects, because of lack of fall rains to provide reserve moisture. Such fears accentuate the trend toward a return to wheat, since wheat stands adverse conditions better than other grains. Moreover an exceptionally large area is well prepared for seeding through summer fallow last summer.

Good farming practice, and not any program laid down or advice given by the Government, will determine areas devoted to different crops. Most of the best-prepared land will be put into wheat, provided it can be seeded sufficently early before the middle of May. After wheat, remaining acreage to be seeded will go into oats and barley except for the comparatively small acreage devoted to flax. Where livestock are fed in large numbers care will be taken to keep a sufficient acreage for feed grains and in some limited areas, where these crops usually do execeptionally well, they will get a preference over wheat.

May Reduce Summer Fallow

A tendency to reduce the area in summer fallow is expected, in order to cash in on wheat while prices are at a satisfactory level. Railway authorities appear to be confident that, before the opening of navigation, stocks of wheat at the lakehead can be built up to sufficient volume to take care of early shipping needs. There has been an increase of wheat loadings for the lakehead during the past week and a further increase is expected soon, at the expense of coarse grain and of wheat shipments to the Pacific coast. Once, however, accumulated stocks are depleted by the first rush of lake loadings, it is going to be difficult to keep vessels supplied during the rest of the summer. The prospect appears to be that during the summer months lakehead elevators will be largely empty, with grain going out as rapidly as it can be taken into the elevators.

DIVIDEND NOTICES

MacKinnon Structural Steel Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of one and one-quarter (1¼%) per cent has been declared on the 5% Cumulative Sinking Fund Redeemable Preferred Stock of MacKinnon Structural Steel Co. Limited, payable March 15, 1944, to shareholders of record February 29, 1944.

By Order of the Board of Directors,
J. G. SCORER,
Secretary.
Montreal, February 18, 1944.

Gatineau Power Company

Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares

Montreal, Canada,
February 16, 1944.

The Board of Directors has declared a quarterly dividend of $1.25 a share on the 5% Cumulative Preferred Shares and $1.37 a share on the outstanding 5½% Cumulative Preferred Shares of the Company payable April 1, 1944, to shareholders of said classes of record at the close of business on March 1, 1944; also a quarterly dividend of twenty cents ($.20) a share on the outstanding Common Shares of the Company payable on March 31, 1944, to shareholders of said class of record at the close of business on March 1, 1944.

Cheques in payment will be mailed. Stock transfer books will not close.

J. R. BINKS,
Secretary.

Canadian Celanese Limited

1401 McGill College Avenue, Montreal, P.Q., Canada

February 18, 1944.

The Board of Directors has this day declared the following dividends:

Seven Per Cent Cumulative Participating Preferred Stock

A participating dividend of Fifty-three Cents (53c) per share, payable March 31, 1944 to holders of record at the close of business March 13, 1944.

A dividend of One Dollar Seventy-five Cents ($1.75) per share, which shall be deemed to be for the three months period January 1, 1944 to March 31, 1944, payable March 31, 1944 to holders of record at the close of business March 13, 1944.

Common Stock

A dividend of Twenty-five Cents (25c) per share in respect of the first quarter of 1944; and, in addition, an extra dividend of Twenty-five Cents (25c) per share, payable March 31, 1944, to holders of record at the close of business March 13, 1944.

H. BLANCKE,
Secretary

DIVIDEND NOTICE

Canada Malting Co., Limited

NOTICE is hereby given that a quarterly dividend of Fifty Cents (50c) per share has been declared on the no par value stock of the Company. The above dividend is payable March 15, 1944, to Shareholders of record at the close of business on the 29th day of February, 1944.

Share Warrant Holders will present Coupon Serial No. 65 to The Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after March 15, 1944.

By Order of the Board,
JOHN P. HEIGHTON,
Secretary.
Dated at Montreal.
February 21st, 1944.

The Great West Saddlery Company Limited

6% Cumulative First Preference Stock ($50.00 Par Value)

6% Cumulative Second Preference Stock ($50.00 Par Value)

A dividend at the rate of six per cent (6%) per annum, being the accumulated dividend for the three months ending March 31st, 1944, on the First and Second Preference stock, has been declared and authorized to be paid on April 3rd, 1944, to all First and Second Preference Shareholders of record with the Transfer Agents of the Company at the close of business on March 3rd, 1944.

By Order of the Board.
J. C. BROADFOOT,
Secretary.
Winnipeg, Man.
February 18, 1944.

Reserve Ruling On Ford Case

Appeal Decision Confirming $2 Millions Due City as Corp. Inc. Tax

From Our Own Correspondent

WINDSOR. — Decision was reserved by Judge J. J. Coughlin in county courthouse here in the appeal of Ford Motor Co. of Canada, Ltd. against a decision of court of revision confirming approximately $2 millions municipal assessment for corporation income tax.

John B. Aylesworth, K.C. and G. C. Richards appeared for the appellant. Lorne R. Cumming, city solicitor, appeared for the City of Windsor.

The case involves efforts of this city to assess for corporation income tax the dividends derived from Ford Motor Co. of South Africa, Ltd., and Ford Motor Co. of India, Ltd., for 1941, 1942 and 1943. Under the Assessment Act, the municipal corporation holds that income derived from revenue other than that in respect of which the corporation is assessed for business tax, is liable for corporation income tax.

Counsel for the appellant corporation claimed that Ford Motor Co., of Canada is the actual operator of the subsidiary companies and is therefore exempt under the Assessment Act.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN THAT a Quarterly Dividend (No. 59) of Twenty Five Cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared payable on the 31st day of March, 1944, to shareholders of record at the close of business on the 29th day of February, 1944.

By Order of the Board.
I. N. WILSON,
Treasurer.
Calgary, Alberta,
February 21st, 1944.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 65

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share on all of the outstanding shares of the company payable on March 18, 1944, to shareholders of record at the close of business February 28, 1944.

G. G. KEW,
Secretary.
Windsor, Ont.
February 17, 1944.

E. L. McLean Makes Changes

Johnson & Higgins (Can.) Buy Control of Toronto Firm

E. L. McLean Ltd., control of which was recently purchased by Johnson & Higgins (Canada) Ltd., insurance brokers, will continue to operate under the active presidency of E. L. McLean. D. E. McLean, who will continue as a director, has been appointed vice-president and general manager, and E. G. Brisley, S. K. Ireland and G. F. Collation, have been appointed directors.

E. L. McLean, president of E. L. McLean, Ltd., one of the largest direct writing insurance agencies in Canada was first manager of the Underwriters' Inspection Bureau of Canada and subsequently became manager of the sprinklered risk department of the Canadian Underwriters Association. In 1916 he formed the present firm at Toronto to succeed his former agency established in 1888.

Head office of Johnson & Higgins (Canada) Ltd. is in Montreal with branches in Winnipeg and Vancouver. Frank S. Simons, president, is in charge of operations throughout Canada and is also a partner and director of Johnson & Higgins, New York. Johnson & Higgins (Ont.) Ltd., a subsidiary of the Canadian company will continue to operate as a separate unit in Toronto.

Abitibi 7% Preferred Form Own Committee

Because it was feared their claims might not be adequately represented in comparison with those of 6% preferred shareholders and bondholders, holders of the 7% preferred stock of Abitibi Power & Paper Co. have formed a protective committee to work with committees of the 6% preferred and common shareholders. This committee consists of Douglas Huycke, H. Goldman and Ernest Lloyd, all of Toronto.

A committee letter states that Abitibi is not bankrupt, and declares that each share has an equity of $100, plus accumulated arrears of $857,500, or a total claim of $185.75 per share as of Jan. 1, 1944. It says that the value of assets behind these shares is many times that amount and adds: "This is the only committee representing the interests of the 7% preferred shareholders, who have a priority over the 6% shareholders."

Hamilton Clearing House Elects New Officers

At the annual meeting of the Hamilton Clearing House, Hamilton, Canada, officers for the coming year were elected as follows:

F. S. POTTER, Bank of Toronto, chairman.

H. S. THURSTANS, Royal Bank of Canada, vice-chairman.

NORMAN EVANS, Dominion Bank; F. D. DUNN, Bank of Nova Scotia; JAMES GARROW, Bank of Montreal; W. H. COGHILL, Imperial Bank of Canada; E. V. ILLSEY, Canadian Bank of Commerce, members of committee.

A. H. STEVEN, manager and secretary treasurer.

STOCKS, BONDS & GRAIN
Bought and Sold

C. C. Fields & Co.
200 BAY STREET WA. 4731 TORONTO
Members, The Toronto Stock Exchange

PARTNERS:
C. C. FIELDS, J. C. ALLEN, G. D. ADAMS, F. ROSE, R. PAYNTER, J. V. BROOKS

TORONTO ELEVATORS LIMITED

GRAIN
MASTER FEEDS
LINSEED & SOYA OILS

Also Owning and Operating
THE SARNIA ELEVATOR CO. LIMITED
SARNIA ONTARIO

QUEEN'S QUAY, TORONTO

OATS

All Grades Feed Barley
SAMPLE WHEAT
BULK or SACKED

All Grain Selected from Our Elevators in the Finest Growing Districts of Western Canada.

Write or Wire for Quotations.

NATIONAL GRAIN CO. LTD.
WINNIPEG

FEDERAL GRAIN LIMITED

OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
436 COUNTRY ELEVATORS THROUGHOUT THE WEST
113 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

CNR Income Above 1943

From Our Own Correspondent

MONTREAL.—Canadian National Railways all inclusive system got away to a good start this year, January returns indicating an increase in net revenue of over $500,000 compared with the same month a year ago

Operating revenues for last January totalled $33.1 millions. This compares with $29.3 millions for the like month in 1943, a rise of $3.8 millions

Operating expenses advanced from $24.8 millions to over $28 millions, leaving a net revenue of $5 millions, as against a little under $4.5 millions in Jan., 1943.

Since 1857

James Richardson & Sons LIMITED

Grain Merchants
Shippers and Exporters

HEAD OFFICE
WINNIPEG

Branches Throughout Canada

GOVERNMENT NOTICE

NATIONAL WAR LABOUR BOARD

Incorporation of Cost of Living Bonus into Wage Rates

THE ATTENTION of all employers in Canada, subject to the Wartime Wages Control Order 1943 (P.C. 9384), is directed to the provisions of the Order requiring them to establish for each of their occupational classifications, not above the rank of foreman, a single wage rate or range of wage rates as prescribed by the rules set out in Schedule "A" of the Order by adding to the previous authorized single wage rate or previous authorized range of wage rates the amount of previous authorized cost of living bonus, and that such established single wage rate or range of wage rates shall be effective for the first payroll period beginning on or after February 15, 1944.

Employers who may not be paying previous authorized cost of living bonus as required by General Orders of the National War Labour Board, issued under dates of August 4, 1942, and November 3, 1943, pursuant to the provisions of the Wartime Wages Control Order, P.C. 5963, are required to include such amounts of cost of living bonus in the establishment of wage rates of their employees under P.C. 9384 effective for the first payroll period beginning on or after February 15, 1944, as stated.

C. P. McTAGUE,
Chairman
NATIONAL WAR LABOUR BOARD

Ottawa, Canada

D-3-44-W

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount*	Price	Yield
Halifax, N.S.	Feb.	Wood, Gundy & Co., Royal Bank, and Eastern Securities	2½, 3, 3½%	1945-64	$769,000	101.789	3.20%
Twp. of East York, Ont.	Feb.	Fairclough & Co.	3½%	1955-61	971,760	*98.75	3.60%
Collingwood, Ont.	Feb.	Dominion Securities Corp.	3 & 3½%	1945-59	499,822	.....	.....
Edmonton, Alta.	Feb.	Fairclough & Co. and Syndicate	....	20-yr. ser.	1,700,000	.....	.....
Dominion—							
Canada Treasury Bills	Feb.		....	May 12, '44	55,000,000	99.902	.390%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	—Offered by—	Rate	Due	Amount	Price	Yield
York Knitting Mills	Feb.	Harrison & Co.	2½ to 4%	1945-64	$1,250,000	100	.....
Dom. Woollens & Worsteds	Feb.	Gairdner & Co.	3, 3½, 4%	1945-54	700,000	100	.....
Ursuline Religious of Diocese of London, Ont.	Feb.	Harris, MacKeen, Goss & Co., Isard, Robertson & Co.	3 & 3½%	1945-64	229,000	100	.....
L'Institut De Notre Dame Des Missions	Feb.	Harris, MacKeen, Goss & Co., Isard, Robertson & Co.	4%	1944-63	183,900	100	.....
Roman Catholic Episcopal Corp. of Ottawa	Feb.	Harris, MacKeen, Goss & Co., Isard, Robertson & Co.	3%	1944-59	148,500	100	.....
St. Maurice Power Corp.	Feb.	Dominion Securities Corp.	5%	1956	100,000	.....	.....

*Offering price.

Steep Rock Over 67% Complete

May Start Mining Before Aug. 1—Good Profit Margin Seen

By GORDON M. GRANT

With work running ahead of schedule, well over two thirds of the expenditures required to place Steep Rock Iron Mines in production, have now been made and bulk of items which might have delayed operations are now things of the past. A survey of the situation made by a source in intimate touch with the company's affairs reveals that great foresight has been shown in "lining up" plans.

Since the major work of diverting the Seine river has been finished, labor force has dropped from a peak of 1,000 men to around 200 to 300 — all that are required for the present phase of pumping out Steep Rock Lake. Surface of the lake is now down better than 35 ft. with drainage proceeding at a rate which offers hope the company may better its Aug. 1 date scheduled for production to begin.

Costs Within Estimates

An encouraging aspect is that it now appears the project will be completed well within estimates laid down before work began, according to The Post's informant.

Estimates made before operations started naturally allowed for something unexpected cropping up and it is quite possible the company may benefit materially now from the conservative nature of its estimates. In any event it is reported plenty of working capital should be available.

Practically all the equipment needed is now on hand with high priorities for delivery of the balance of needed items. It is expected these will be secured far in advance of requirements. It is pointed out that deliveries have never held up the Steep Rock project at any stage of the game and no difficulty is seen on this score. In a short while the company will even have considerable equipment for sale!

To Use Giant Monitors

Plans for removing overburden from above "B" ore body and for mining of ore are well laid. A barge with a suction pump will be in operation for overburden removal before the bottom of the lake is reached. Giant monitors will sluice off the overburden — the cheapest and most expeditious way of tackling this work. Drag lines, scrapers and electric shovels will co-operate in preparing quickly for mining operations.

No difficulty whatever is anticipated in shipping ore when mining commences. The company has an agreement with the CNR to ship ore from the pit to the hold of the vessel at a fixed freight rate. It is understood the CNR has completed arrangements for delivery of ore initially by rail to a nearby U. S. port as it is not expected lakehead terminal loading facilities will be completed much before Oct. 1.

Plans for the loading terminals are stated to envisage erection of the finest and most expensive type of loading equipment. A four-rail approach is being provided over a mile-long ramp extending across rail yards at Port Arthur. Contracts for building of the terminal facilities are being let in three stages, it is said.

Completion of the hydro power line prior to commencement of the dewatering of Steep Rock Lake assured ample power both now and when mining of ore commences.

Can Handle Two Million Tons

Present plan envisages production of 500,000 tons of ore this year. The property is being equipped to produce two million tons of ore a year and it is now anticipated that two million tons will actually be shipped in 1946. In 1945 tonnage of ore mined, it is estimated, will be between one and two million tons. Pre-production estimated costs on the basis of two million tons of ore a year were $3.24 (exclusive of interest, amortization and Dominion taxes), allowing 17 cents for replacement power. A large proportion of costs (power, freight, etc.) are fixed in character and it is reported that variation of costs in mining from those estimated are not likely to exceed 30 cents a ton either way.

Things have been going along like clockwork at Canada's largest new mining project, Steep Rock Iron Mines, with costs well within pre-production estimates. Related projects for marketing of ore, etc., are well in hand and it now appears that bulk of possible difficulties have been eliminated.

What earnings Steep Rock can realize have been long a subject of conjecture. No official estimate is available, but much relevant data on this aspect of the company's affairs is provided in an accompanying story.

Initially, before production gets up to the two million tons a year rate, costs are expected to be somewhat above those mentioned above. For the first couple of years, or somewhat longer, bulk of revenue will likely be earmarked for retirement of indebtedness and the building up of working capital. The company, however, will be free of EPT for the first 3½ years. This is expected to facilitate retirement of indebtedness.

Ore Value High

No predictions are being made by the management as to what price will be received for Steep Rock ore. It is indicated that the first 500,000 tons to be mined this year will be turned over to the steel companies to acquaint them with its qualities, and that this is likely to provide the company with a better idea of the actual market value of the ore. Open hearth ore of a grade comparable, or perhaps inferior, to Steep Rock lump, fetches $6.30 a ton U. S., it is stated, or $6.93 a ton Canadian funds. How much of Steep Rock's ore will be of the lump variety, it is too early to say. In a debenture prospectus, 25% was mentioned as a possible figure, but in other quarters, it is suggested this figure is perhaps on the ultra conservative side and that 50% or even 75% of ore mined might be open hearth lump ore.

Balance of ore mined is expected to classify as high grade blast furnace ore, fetching a price around $1 a ton less than the high-grade open hearth lump ore.

With Steep Rock operating at two million tons a day, an average clear profit after all charges and on present taxes of $3 a ton, is unofficially reported possible. This would be over $1 a share. The company is exempt from EPT, as a new base metal mine, but has to pay corporation tax of 18% less the 33 1/3% allowed for depletion. A possibility is that the company might be able to retire its $8 millions of indebtedness from the profits on the first three million tons of ore if this should link in with official plans.

MeetsEstimates At New Calumet

Good Ore Reported Found at Depth in Area Where Anticipated

With nearly all the ore milled drawn from the mine in November and December, New Calumet Mines found ore grade up to expectations and production gratifying, President M. A. Thomson informed shareholders at the company's recent annual meeting.

During the tune-up period surface dump material had been fed to the mill to allow the mine to proceed with the opening up of stopes on the 200 and 300-ft. levels.

Mill heads in the last quarter of 1943 were: zinc, 8.89%; lead, 2.25%; gold, 0.021 oz.; and silver 3.79 oz. Zinc production was shipped to the U. S., but lead concentrates, containing the gold and silver, were stockpiled at the mine pending shipping instruction from the Metals Reserve Co.

Development Renewed

Nearly all underground development was directed to opening of stopes on the upper levels in October, but in the following two months, considerable attention was given to the 400, 500, 600 and 700-ft. levels. The station on the 400-ft. level was completed and a crosscut was run to intersect the downward continuation of the ore bodies at this horizon. The work on the lower levels consisted of station cutting and excavation for a sump on the 700-ft. level. Diamond drilling was carried out in conjunction with the development on the 400-ft. level and this work, together with the drifting, disclosed good ore where it was expected to be found.

In addition some gold values were encountered in the main 400-ft. level station and crosscut, and a length of approximately 110 ft. in the crosscut averaged 0.19 oz. gold, 6.9 oz. silver, 1.92% lead and 1% zinc over drift width. Insufficient work has been done at this level to ascertain the extent of these gold values. The property remains very much a base metal mine and the gold values encountered will not affect the general average of the mine ore to any extent nor increase the gold production just now.

Beattie Rights Are Approved

At the recent special meeting, shareholders of Beattie Gold Mines (Quebec) approved an issue of rights on the basis of one new share at $1.50 for each seven shares held on Feb. 25. The right to subscribe expires on March 15.

Allotments will be for the next greater even share (when fractional shares are involved) but shareholders may apply for less than their one in seven proportion.

Milling rate is being held at 600 tons daily and the new Donchester shaft is now down 800 ft., shareholders were informed. While the mine is getting some more men they are not experienced and work is slow.

Mining Options

Anglo-Rouyn Mines—By extended agreement of June 4, 1943, Rhodes Exploration & Finance agreed to purchase 500,000 shares at 15c. and received options on 105 million shares at 20 to 75c. a share. Taking down of each block of stock entitles optionee to 10% of additional stock at 1c. a share for a total in all of 200,000 shares. Authorized capital is 3.5 million shares with 1,832,585 shares issued.

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Annamaque Mines—Financing agreement amended after 319,500 shares taken down as of Feb. 7. Option on 200,000 shares at 5c. replaces former option on 100,000 shares blocks at 65c. and 75c. a share.

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Anoki Gold Mines—On Feb. 7, 1944, Bankfield Consolidated underwrote 200,000 shares at 12½c. and received 600,000-share option at 20 to 40c. a share. Authorized capital is 3.5 million shares with 2,625,005 shares issued.

• • •

Bandolac Mining Co.—On Nov. 19, 1943, W F. Morgan-Dean underwrote 100,000 shares at 5c. and received an option on 500,000 shares at 5 to 10c. a share. Deal was approved Jan. 11, 1944. Authorized capital is 3 million shares with 1,265,774 issued.

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Blairdon Gold Mines—Registered for sale of securities with not less than 75% of proceeds to go into treasury of company. Authorized capital is three million shares with 1,000,005 issued.

• • •

Brae-Breest Gold Mines — H. Adams optioned a million shares Jan. 26 at 5 to 25c. a share. Authorized capital is three million shares with 1,601,238 outstanding.

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Bright Red Lake Gold Mines—On Jan. 24. Brookland Ltd., underwrote 100,000 shares at 5c. and was granted an option on 1.5 million shares at 5 to 20c. per share. Authorized capital is four million shares with 1.6 million issued.

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Dominion Nickel Mining Corp —On Aug. 10, 1943, 935,000 shares optioned to C. E. Dickinson at prices starting at 5c. but agreement amended Jan. 10, with option provided on 1,060,000 shares at 5 to 20c. a share. Authorized capital is four million shares with 1,414,333 shares issued.

• • •

Eastmont Larder Lake Gold Mines—By agreement of Jan. 18, Charles J. Peart underwrote 20,000 shares at 5c. and received option on 1,729,995 shares at 5 to 50c. a share. Authorized capital is three million shares with 1,250,005 issued.

• • •

Elder Gold Mines—By Jan. 27 agreement, Close Traders optioned 1.5 million shares at 5 to 10c. a share. Authorized capital is four million shares with 1,500,005 issued.

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Eldona Gold Mines—By Jan. 20 agreement, M. J. Boylen optioned 1.3 million shares at 5 to 20 cents per share. Authorized capital is three million shares with 1,060,000 issued on Jan. 25, 1944.

• • •

Graymac Gold Mines—On Jan. 29, two million shares optioned to George A. Tompkins at 5 to 40c. a share. Authorized capital is four million shares with 1,000,005 issued.

• • •

Halden Red Lake Mines — On Jan. 15, H. L. Robertson underwrote 60,000 shares at 5c. and received an option on 940,000 shares at 5 to 10c. a share. Authorized capital is three million shares with 1,000,005 issued.

• • •

Heyson Red Lake Gold Mines—On Jan. 18, Prospectors Securities underwrote 100,000 shares at 5c. a share and optioned 1.9 million shares at 5 to 20c. a share Authorized capital is three million shares with 2,213,105 issued

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Hugh Pam Porcupine Mines—On Nov 24, 1943, Project Engineers underwrote 36,553 shares payable by Jan. 13, 1944, and received option on 570,000 shares at 10 to 40c. a share. Authorized capital is three million shares with 2,353,447 shares issued

• • •

Poona Gold Mines—By Jan. 20 agreement, Mark Daniels optioned 500,000 shares at 5 to 20c. a share. Authorized capital is three million shares with 1,415,000 shares outstanding.

Stadacona Rouyn Mines Limited

The Liquidator of the company, in order to clarify the situation created by Mr. Norman Vincent's activities, states that Mr. Vincent, a promoter of Toronto, published an advertisement in the newspapers with the evident object of obtaining the support of the shareholders in favor of his scheme.

The Inspectors, as well as the Liquidator, have not seen fit to recommend to the Court any of the offers submitted by various parties, including Mr. Vincent, pending completion of a definite statement of the company's affairs, as directed by the Court, and such statement cannot be properly prepared until decision has been rendered by the Court of Appeal on the litigation pending. Moreover, there is the possibility that within the next few weeks the Estate will be in a position to pay all creditors and return the property to the shareholders, who will then be able to proceed with their own reorganization and financing as they may deem expedient without having to sacrifice to Mr. Vincent what he asks from them.

GEORGES DUCLOS.
10 St. James St. East, Montreal

THE MONTREAL
CITY *and* DISTRICT
1846 SAVINGS BANK 1943

Ninety-Seventh Annual Report

MONTREAL, FEBRUARY 14TH, 1944.

TO THE SHAREHOLDERS,

Gentlemen,

Your Directors have pleasure in presenting the ninety-seventh Annual Report of the affairs of the Bank and the result of its operations for the Year ending December 31st, 1943.

The net profits for the year were $398,443.71 and the balance brought forward from last year's Profits Account was $243,906.13, making a total of $642,349.84. In addition to the usual quarterly distributions to its shareholders, the Bank contributed from this amount $16,450.00 to various charitable and philanthropic funds—independently of the sum of $9,950.00 interest on the Charity Donation Fund, distributed as usual, and has transferred $200,000.00 to the Reserve Fund, bringing the latter to $3,500,000.00 — leaving a balance at the credit of undivided Profits Account of $145,899.84, to be carried forward to next year.

As usual, a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The Report of the Auditors and the Balance Sheet are herewith submitted.

D. A. HINGSTON,
President.

GENERAL STATEMENT
DECEMBER 31st, 1943
LIABILITIES

To the Public:		
Deposits bearing interest, including interest accrued to date	$77,168,632.35	
Deposits not bearing interest	1,586,120.76	
Charity Donation Fund	180,000.00	
Other Liabilities	1,239,032.44	
		$80,173,785.55
To the Shareholders:		
Capital Stock (Amount subscribed $2,000,000.00), paid up	$ 2,000,000.00	
Reserve Fund	3,500,000.00	
Balance of Profits carried forward	145,899.84	
Dividends outstanding	660.66	
Dividend payable January 3rd, 1944	80,000.00	
		5,726,560.50
		$85,900,346.05

RESOURCES

Cash on hand and in Chartered Banks	$ 9,153,853.13	
Dominion and Provincial Governments Bonds	51,996,982.76	
Canadian Municipal Bonds and Debentures	14,745,355.31	
Bonds of Canadian School Municipalities	228,481.06	
Bonds of Canadian Public Utilities Corporations	5,373,240.00	
Sundry Securities	200,000.00	
Call and Short Loans, secured by collateral	2,982,998.61	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		$84,862,910.87
Bank premises (Head Office and Branches)	1,000,000.00	
Other Assets	37,435.18	
		1,037,435.18
		$85,900,346.05

On behalf of the Board,

D. A. HINGSTON, *President.* T. TAGGART SMYTH, *General Manager.*

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

A. E. OSLER & COMPANY

Established 1886 Members The Toronto Stock Exchange
Osler Bldg., 11 Jordan St. Phone ADelaide 2431

Remember? The hare lost the race when victory was in sight because he lay down on the job.

That must not happen here.

We must keep on working . . . we must keep on buying Victory Bonds, War Savings Certificates and Stamps until we reach our goal—a complete and decisive victory.

WORK! DON'T SHIRK!

NORANDA MINES, LIMITED